

**NINETEENTH
ECONOMIC AND ENVIRONMENTAL FORUM**

“Promotion of common actions and co-operation in the OSCE area
in the fields of development of sustainable energy and transport”

SECOND PREPARATORY MEETING

“Development of Sustainable Transport”

Druskininkai, Lithuania, 4 - 5 April 2011

CONSOLIDATED SUMMARY

OFFICE OF THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES
WALLNERSTRASSE 6, 1010 VIENNA; TEL: + 43 1 51436-6151; FAX: 51436-6251; EMAIL: pm-occea@osce.org

CONFERENCE DOCUMENTS CAN BE RETRIEVED FROM THE WEBSITE:
http://www.osce.org/event/19th_eef_2

TABLE OF CONTENTS

Page

DECISION NO. 959 REGARDING THE THEME, AGENDA AND MODALITIES FOR THE 19TH ECONOMIC AND ENVIRONMENTAL FORUM	1
---	----------

ANNOTATED AGENDA	5
-------------------------------	----------

WELCOMING REMARKS

Mr. Arunas Štaras , Vice Minister of Transport and Communication of the Republic of Lithuania	10
--	-----------

Mr. Egidijus Meilūnas , Vice Minister of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship.....	12
---	-----------

Ambassador Marc Perrin de Brichambaut , OSCE Secretary General.....	14
--	-----------

Mr. Goran Svilanović , Co-ordinator of OSCE Economic and Environmental Activities.....	17
---	-----------

RAPPORTEURS' REPORTS

Opening Panel Debate Promoting sustainable transport in the OSCE area: challenges and Responses.....	19
---	-----------

Session I Environmentally friendly transportation choices: the role of innovation and technology.....	23
--	-----------

Session II Environmentally friendly transportation choices: the role of innovation and technology.....	27
---	-----------

Session III Facilitation of international land transport: co-ordination and simplification of border crossing and customs clearance procedures.....	29
--	-----------

Session IV Facilitation of international transport: innovation, new technologies and information exchange.....	31
---	-----------

Session V Integration of transport networks in the OSCE area.....	33
--	-----------

Concluding Panel Debate The role of the OSCE in promoting sustainable transport solutions.....	37
---	-----------

CLOSING STATEMENTS

Mr. Goran Svilanovic , Co-ordinator of OSCE Economic and Environmental Activities.....	40
---	-----------

Mr. Vytautas Naudužas , Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship.....	43
---	-----------

PLEASE NOTE: All documents and speakers' presentations are available on the OSCE website:
http://www.osce.org/event/19th_eef_2

835th Plenary Meeting

PC Journal No. 835, Agenda item 5

**DECISION No. 959
THEME, AGENDA AND MODALITIES FOR THE
NINETEENTH ECONOMIC AND ENVIRONMENTAL FORUM**

The Permanent Council,

Pursuant to Chapter VII, paragraphs 21 to 32, of the Helsinki Document 1992; Chapter IX, paragraph 20, of the Budapest Document 1994; Ministerial Council Decision No. 10/04 of 7 December 2004; Ministerial Council Decision No. 4/06 of 26 July 2006; and Permanent Council Decision No. 743 of 19 October 2006,

Relying on the OSCE Strategy Document for the Economic and Environmental Dimension (MC(11).JOUR/2), the OSCE Border Security and Management Concept (MC.DOC/2/05), Ministerial Council Decision No. 11/06 on future transport dialogue in the OSCE and Ministerial Council Decision No. 9/08 on follow-up to the Sixteenth Economic and Environmental Forum on maritime and inland waterways co-operation, Ministerial Council Decision No. 12/06 on energy security dialogue in the OSCE, and Ministerial Council Decision No. 6/09 on strengthening dialogue and co-operation on energy security in the OSCE area,

Building on the outcomes of past Economic and Environmental Forums, as well as on the results of relevant OSCE activities, including follow-up activities,

Taking into account the closing statement by the Chairperson of the Eighteenth Meeting of the Economic and Environmental Forum,

Decides that:

1. The theme of the Nineteenth Economic and Environmental Forum will be: Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport;
2. The Nineteenth Economic and Environmental Forum will consist of three meetings, including two preparatory meetings, one of which will take place outside of Vienna. The concluding meeting will be held from 14 to 16 September 2011 in Prague. These arrangements shall not set a precedent for future Economic and Environmental Forums. The Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the 2011 OSCE Chairmanship, will organize the above-mentioned meetings;

3. The agenda of the Forum will focus on the following topics:

- Dialogue on the promotion of sustainable transport, including integration of transport networks through reduction of barriers and simplification of border-crossing procedures; improvement of energy efficiency in transport area; and the role of clean technologies;
- Dialogue on the promotion of sustainable energy, including new and renewable as well as traditional energy sources; good governance and transparency in the energy field; energy efficiency; low-carbon energy technologies; and fostering of multi-stakeholder dialogue and co-operation between energy producers, consumers and transit countries;
- Regional and subregional co-operation on sustainable energy and transport, and sharing of best practices and exchange of experiences in these fields;

4. The agendas of the Forum meetings, including timetables and themes of working sessions, will be proposed and determined by the 2011 OSCE Chairmanship, after being agreed upon by the participating States in the Economic and Environmental Committee;

5. Moreover, having a view to its tasks, the Economic and Environmental Forum will review the implementation of OSCE commitments in the economic and environmental dimension. The review, to be integrated into the agenda of the Forum, will address OSCE commitments relevant to the theme of the Nineteenth Economic and Environmental Forum;

6. The discussions of the Forum should benefit from cross-dimensional input provided by other OSCE bodies and by relevant meetings and deliberations in various international organizations;

7. Moreover, having a view to its tasks, the Economic and Environmental Forum will discuss current and future activities for the economic and environmental dimension, in particular the work in implementation of the OSCE Strategy Document for the Economic and Environmental Dimension;

8. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. The participation in their delegations of representatives from the business and scientific communities and of other relevant actors of civil society would be welcome;

9. As in previous years, the format of the Economic and Environmental Forum should provide for the active involvement of relevant international organizations and encourage open discussions;

10. The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Nineteenth Economic and Environmental Forum: Asian Development Bank; Barents Euro-Arctic Council; Organization of the Black Sea Economic Co-operation; Central European Initiative; Collective Security Treaty Organization; Commonwealth of Independent States; Conference on Interaction and Confidence-Building Measures in Asia; Council of Europe; Council of the Baltic Sea States; Economic Cooperation Organization; Energy Charter Treaty; Energy Community; Eurasian Economic Community; European Bank for Reconstruction and Development; European Environment Agency; European Investment Bank; Intergovernmental Commission TRACECA (Transport Corridor Europe-Caucasus-Asia); Gas Exporting Countries Forum (GECF); Intergovernmental Organisation for International Carriage by Rail; International Atomic Energy Agency; International Energy Agency; International Energy Forum; International Renewable Energy Agency (IRENA); International Fund for Saving the Aral Sea; International Labour Organization; International Maritime Organisation;

International Monetary Fund; International Partnership for Energy Efficiency Cooperation (IPEEC); International Rail Transport Committee; International Road Transport Union; International Road Federation; International Union of Railways; International Transport Forum; North Atlantic Treaty Organization; Organization of the Petroleum Exporting Countries; Organization for Cooperation of Railways; Organisation for Economic Co-

operation and Development; Organization for Democracy and Economic Development – GUAM; Organization of the Islamic Conference; Regional Cooperation Council; Southeast European Cooperative Initiative; Secretariat of the United Nations Framework Convention on Climate Change; Shanghai Cooperation Organisation; United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic Commission for Europe; United Nations Economic and Social Commission for Asia and the Pacific; United Nations Environment Programme; United Nations Industrial Development Organization; United Nations Special Programme for the Economies of Central Asia; World Bank Group; World Customs Organization; World Trade Organization; Secretariat of the Extractive Industries Transparency Initiative; and other relevant organizations;

11. The Partners for Co-operation are invited to participate in the Nineteenth Economic and Environmental Forum;

12. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Nineteenth Economic and Environmental Forum;

13. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Nineteenth Economic and Environmental Forum;

14. In line with the practices established over past years with regard to meetings of the Economic and Environmental Forum and their preparatory process, the Chairperson of the Nineteenth Economic and Environmental Forum will present summary conclusions and policy recommendations drawn from the discussions at the 2011 Meeting, as stipulated by Permanent Council Decision No. 958, which will complement the Forum process. The Economic and Environmental Committee will further include the conclusions of the Chairperson and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate policy translation and follow-up activities.

**INTERPRETATIVE STATEMENT UNDER
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE
OF THE ORGANIZATION FOR SECURITY
AND CO-OPERATION IN EUROPE**

By the delegation of Azerbaijan:

“Mr. Chairperson,

We would like to make the following interpretative statement with regard to paragraph 3, third subparagraph, of document PC.DD/38/10/Rev.1.

Azerbaijan attaches importance to co-operation on sustainable energy and transport, and sharing of best practices and exchange of experiences in these fields. However, when it comes to the regional and subregional contexts, the issue of the existence of appropriate conditions should be taken duly into account, in view of the well-known situation in the regions affected by armed conflict.

While joining the consensus on the present document, we would like once again to register this unchanged position of our delegation.

I request that this statement be appended to the journal of the present meeting.

Thank you, Mr. Chairperson”.



OSCE

Organization for Security and Co-operation in Europe

**Office of the Co-ordinator of OSCE
Economic and Environmental Activities**

Vienna, 01 April 2011

19TH OSCE ECONOMIC AND ENVIRONMENTAL FORUM

“Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport”

**SECOND PREPARATORY MEETING
(DEVELOPMENT OF SUSTAINABLE TRANSPORT)**

Druskininkai, Lithuania, 4-5 April 2011

AGENDA

Sunday, 3 April

19:00 **Welcome Reception hosted by Mr. Goran Svilanović, Co-ordinator of OSCE Economic and Environmental Activities, at the Restaurant EUROPA ROYALE Druskininkai Vilniaus ave. 7, Druskininkai**

Monday, 4 April

09.30 – 10.30 **Opening Session**

- **Mr. Ričardas Malinauskas**, Mayor of Druskininkai
- **Mr. Arunas Štaras**, Vice Minister of Transport and Communication of the Republic of Lithuania
- **Mr. Egidijus Meilūnas**, Vice Minister of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship
- **Ambassador Marc Perrin de Brichambaut**, OSCE Secretary General
- **Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

10.30 – 11.00 **Coffee/Tea break (Press Conference)**

11.00 – 13.00

Opening Panel Debate - Promoting sustainable transport in the OSCE area: challenges and responses

Selected topics:

- Key concepts of sustainable transport and experiences from various transport modes
- Maximizing the economic efficiency of transport while minimizing its impact on the environment
- Transport efficiency from a time, cost, energy and environmental perspective
- Most recent developments and initiatives across the region, current good practices

Moderator: **Mr. Arturās Racas**, Journalist, Baltic News Service, Lithuania

Rapporteur: **Mr. Roel Janssens**, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

Panel debate followed by discussion:

- **Ambassador Leonidas Chrysanthopoulos**, Secretary General, Organization of the Black Sea Economic Co-operation (BSEC)
- **Ambassador Vytautas Naudužas**, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship
- **Ms. Anita Mäkinen**, Head of the Marine Environment Protection Unit, Finnish Transport Safety Agency (TRAFI)
- **Mr. Hans Henrik Sievertsen**, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE)
- **Mr. Valery Pershin**, Deputy Head of the Department for Labour Protection, Industrial Security and Environmental Control, Russian Railways
- **Mr. Niall Leonard**, Directorate General for Mobility and Transport, European Commission
- **Mr. Vladimir Garaba**, Deputy President of the Environmental Movement of Moldova

13.00 – 14.30

Lunch break

14.30 – 16.00

Session I – Environmentally friendly transportation choices: the role of policies

Selected topics:

- Developing strategies aimed at reducing the impact of transport on the environment, including greening road transportation initiatives
- Promoting adequate national policies for cleaner and more energy-efficient transportation
- The role of local authorities in promoting sustainable transportation systems And better mobility demand management
- Public participation and awareness rising: the role of the civil society

Moderator: **Ambassador Ihor Prokopchuk**, Permanent Representative of Ukraine to the OSCE

Rapporteur: **Ms. Urfa Qadri**, United States Mission to the OSCE

Presentations followed by discussion:

- **Mr. Niall Leonard**, Directorate General for Mobility and Transport, European Commission
- **Ms. Susanna Zammataro**, Deputy Director General, International Road Federation (IRF)
- **Ms. Malika Babadzhanova**, Head, Central Asian Regional Environmental Centre, Tajikistan
- **Mr. Tihomir Dakic**, Project Manager, Center for Environment, Bosnia and Herzegovina

16.00 – 16.30 Coffee/Tea break

16.30 – 18.00 **Session II - Environmentally friendly transportation choices: the role of innovation and technology**

Selected topics:

- Improvement of energy efficiency in the transport field
- The role of technologies using clean and renewable energy such as solar power, hydropower, biofuels, electricity etc.
- How new technologies will affect transportation systems? The case of the electric car: Latest developments and private sector initiatives

Moderator: **Mr. Hans Henrik Sievertsen**, Economic Affairs Officer, Transport Division United Nations Economic Commission for Europe (UNECE)

Rapporteur: **Mr. Yaroslav Yurtsaba**, National Project Manager, Office of the OSCE Project Co-ordinator in Ukraine

Presentations followed by discussion:

- **Mr. Tali Trigg**, Energy Analyst, International Energy Agency (IEA)
- **Mr. Manuel Lage**, General Manager, Natural Gas Vehicle Association Europe (NGVA Europe)
- **Mr. Egidijus Skrodenis**, Head of Traffic Safety Division, Lithuanian Road Administration

18.30 **Reception hosted by the Lithuanian 2011 OSCE Chairmanship**, at the Panoramic Restaurant Four Winds, Grand SPA Lietuva, V. Kudirkos St. No 45, 8th Floor

Tuesday, 5 April

09.30 – 11.00 **Session III – Facilitation of international land transport: co-ordination and simplification of border crossing and customs clearance procedures**

Selected topics:

- Lessons learnt in promoting inter-agency co-operation and co-ordination at national level and across borders Multi-stakeholder co-operation and the involvement of the private sector
- The need to minimize trade transaction costs by simplifying and reducing procedures and documentary requirements
- Examining existing good practices and recent developments and identifying areas where further progress is needed

Moderator: **Mr. Vytenis Ališauskas**, Deputy Director of Customs Information System Center, Lithuania

Rapporteur: **Robert Hull**, Permanent Mission of Ireland to the OSCE

Presentations followed by discussion:

- **Ms. Catherine Truel**, Director, International Trade Instrument, UK
- **Mr. Sergey Trubarov**, Head of Transport Policy Department, Eurasian Economic Community (EurAsEC)
- **Mr. Eric Stewart**, Strategic International Advisor, U.S. Chamber of Commerce

11.00 – 11.30 Coffee/Tea break

11.30 – 13.00 **Session IV – Facilitation of international transport: innovation, new technologies and information exchange**

Selected topics:

- Simplification and automatization for faster and more efficient clearance of cargo shipments, including through the introduction of IT systems
- The key role of Governments in providing a clear and stable regulatory framework encouraging innovation in the transport field
- Integrated information systems incl. Internet-based communication interfaces as a tool to further co-ordinate and streamline communication and information, exchange as well as control processes, between authorities and private sector operators

Moderator: **Mr. Alexey Stukalo**, Deputy Co-ordinator / Head, Economic Activities Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Rapporteur: **Mr. Alexander Peytchev**, Economic and Environmental Officer, OSCE Office in Astana

Presentations followed by discussion:

- **Mr. Constantin Ciuta**, Senior Customs Adviser, ASYCUDA World Project, United Nations Conference on Trade and Development (UNCTAD)
- **Mr. David Neumann**, Senior Director Head of e-Commerce Europe, DHL
- **Mrs. Airida Čėsniėnė**, Director for Sventoji Port, Klaipėda State Seaport Authority, Lithuania

13.00 – 14.30 Lunch break

14.30 – 16.00 **Session V – Integration of transport networks in the OSCE area**

Selected topics:

- The need to step up inter-regional co-ordination and harmonization mechanisms, including in the framework of addressing the specific transit transportation challenges of landlocked developing countries
- The development of ‘Green Corridors’ allowing for long-distance freight transport routes using advanced technology and co-modality in order to achieve higher levels of energy efficiency and reduce environmental consequences

- Promoting the design of multi-modal logistic systems including through the placement of strategically located trans-shipment points as well as the establishment of better links between shipping and inland transport modes

Moderator: **Mr. Almabek Demessinov**, Counsellor, Permanent Mission of the Republic of Kazakhstan to the OSCE

Rapporteur: **Ms. Metka Lajnšček**, Permanent Representation of the Republic of Slovenia to the OSCE

Presentations followed by discussion:

- **Mr. Anthony Pearce**, Senior Advisor, Project for Development of Logistic Centers/Nodes in Central Asia
- **Mr. Algirdas Šakalys**, Adviser to the Prime Minister of the Republic of Lithuania
- **Mr. Taleh Ziyadov**, Researcher, Cambridge University
- **Mr. Azer Tagiyev**, Regional Expert with Egis International (EU project), Turkmenistan

16.00 – 16.30 Coffee/Tea break

16.30 – 17.30 **Concluding Panel Debate - The role of the OSCE in promoting sustainable transport solutions**

Moderator: **Mr. Vytautas Naudužas**, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship

Rapporteur: **Ms. Darcie Nielsen**, Head of Governance, Economic and Environmental Issues Department, OSCE Presence in Albania

General Discussion

17.30 – 18.00 **Closing Statements**

- **Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities
- **Mr. Vytautas Naudužas**, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship

Opening Statement

by Mr. Arunas Štaras

Vice Minister of Transport and Communication of the Republic of Lithuania

Excellencies,
Distinguished Delegates,

It gives me a great pleasure on behalf of the Ministry of Transport and Communications of the Republic of Lithuania to welcome you to this second preparatory meeting of the 19th OSCE Economic and Environmental Forum.

Dear Ladies and Gentlemen, today's meeting is focused on the development of sustainable transport, it is the area upon which OSCE puts considerable effort and attention.

It is widely acknowledged that implementation of sustainable transport development is a major challenge in the transport sector and makes a positive contribution to the environmental, social and economic development of the communities in many countries.

Good news is that despite OSCE comprehensive approach to security, it also pays close attention to economic and environmental matters. Recognizing that co-operation in these areas can contribute to peace, prosperity and stability.

Transport is an essential component of the European economy. The transport industry at large accounts for about 7% of GDP and for over 5% of total employment in the European Union. In Lithuania, transport sector contributed by more than 10% to GDP in 2010.

What we see today is that the relationship between globalization and transport volumes is complex because of many reasons. Rising incomes, more leisure time, new technologies and the ageing of the population are just a few examples of trends that will influence the future development of the transport sector in terms of both freight and passenger transport.

Therefore, those changes are likely to demand greater transport safety, security and comfort, while the growth of traffic and urban environmental tension risks working in the opposite direction.

Owing to this complexity, any intervention on the transport sector must be based on a long-term vision for the sustainable transport development. Consequently a new technology development and effective policy implementation may offer new opportunities to achieve a more balanced sustainable development of the transport sector.

In this regard, there is an urgent need to address aspects related to the promotion of sustainable transport, such as the role of policies enhancing innovation and technologies for environmentally friendly transportation choices, the facilitation of international land transport and the integration of transport networks.

Let me also underline that this meeting in many dimensions is a follow-up of the last year Kazakh's chairmanship, which focused on the promotion of good governance at border crossings, improving the security of land transportation, and the facilitation of international transport by road and rail.

Lithuania considers transport issue as extreme importance for all countries within the framework of the OSCE. Taking over chairmanship this year, Lithuania continues to follow the issue of transport as one of top priorities in the agenda.

Situated on the coast of the Baltic Sea and on the Eastern border of the European Union, Lithuania is in a favourable geographical position to provide maritime as well as hinterland transport services to the EU and CIS markets. Well-developed Lithuanian rail, road and maritime transport infrastructure provides North-South and East-West connections. These directions are the most important for trade with Central and Western Europe, Russia and even China.

According to the Eurostat, Lithuania was among top three countries of the European Union having the biggest contribution of transport to national economies. In this context, transport is one of the most rapidly developing economic sectors in our country.

Development of Intelligent Transport Systems (ITS) is one of the main priorities of Lithuanian transport sector innovation. In general, it has been proved that in certain cases ITS can: reduce travelling time, pollution, the number of delays and decrease the number of fatalities on roads. ITS also provides the possibilities to improve public transport competitiveness.

Moreover, by the end of this year, we are planning to launch a national database, which will contain real-time information on weather, traffic and accidents on national roads. The information will be available for public use and for commercial purposes.

Furthermore, Lithuanian Government is ready to support the development of electric cars through targeted policies and financial instruments. These measures can be part of the deal with the private investor. In the short term, the Ministry of Transport and Communications is planning to launch a comprehensive study in order to evaluate all possible scenarios for promotion of the electric mobility.

Other priority issue is the road safety programme, which aims to make Lithuania one of the safest places in Europe for traffic participants. In recent years, Lithuania has been near the very bottom of European Union road safety rankings. Lithuania intends to bring about a dramatic change of the situation and has set itself the goal of being a "Top-10" country in terms of road safety.

Definitely some of already mentioned goals are very challenging, however I believe they are truly achievable with hard work and high motivation.

Dear Ladies and Gentlemen,

In conclusion let me welcome you all again to the OSCE meeting of the development of sustainable transport. Let us have inspiring discussions and identify new pathways for a sustainable future.

I am confident that our joint commitment to general cooperation will contribute towards building a better future to our countries. I believe you will have a most productive and rewarding meeting.

Thank you very much for your attention.

Opening Statement

by H. E. Egidijus Meilūnas

Vice Minister of Foreign Affairs of Lithuania

Dear Ladies and Gentlemen,
Dear OSCE Secretary General Ambassador Marc Perrin de Brichambaut,
Dear Co-ordinator of the OSCE Economic and Environmental Activities Mr. Goran Svilanovič,
Dear Vice Minister of Transport and Communication Mr. Aruna Štaras
The Mayor of Druskininkai Mr. Ričardas Malinauskas,
Excellencies,

It is an honor to address all of you in the famous Lithuanian Spa resort DRUSKININKAI. In 1794, Stanisław August Poniatowski, the Grand Duke of Lithuania and the King of Poland, issued a decree declaring Druskininkai to be a health resort. For more than two hundred years the resort has been developing using its own natural resource – mineral waters, which have a medical treatment characteristic that should be explored during the stay in town.

I am delighted to welcome all the participants to the Second Preparatory Meeting of the 19th OSCE Economical and Environmental Forum under the Chairmanship of Lithuania.

Please allow me to reiterate that last February in Vienna the First Preparatory Meeting of the Economic and Environmental Forum was oriented towards promoting energy dialog among the OSCE participating States and shaping the OSCE's role in energy security and sustainability.

The main theme of today's meeting – development of sustainable transport in the OSCE area, is not new on the OSCE agenda. In 2006, under the Belgian Chairmanship, the OSCE Economic Forum focused on transport development and co-operation, including transit transport and border-crossing facilitation. The 2008 Finnish Chairmanship looked into ways to further promote maritime and inland waterways co-operation in the OSCE area. Transport was also a priority and an important part of the OSCE activities during the Kazakh Chairmanship last year. Kazakhstan and Lithuania actively and effectively co-operated in this field trying to solve long term regional and global transport challenges. The Kazakh Chairmanship appointed Lithuanian Ambassador Vytautas Naudužas as Personal Representative of the Chairperson-in-Office for transport issues. Ambassador Naudužas will have an opportunity to present activities from the last year in the following session, therefore further continuing the dialog on this subject in the OSCE framework.

If one compares the Chairmanships' priorities from last and this year, one can see that Lithuania continues the transport dialog among the OSCE participating States especially focusing on the development of sustainable transport. This aspect is very relevant to today's transport policy and global environmental challenges in every country. The EU estimates that greenhouse gas emissions from transport constituted 19.3 percent of total emission amount in the EU-27 – scoring a third place among sectors after energy industries and the industry itself.

How we respond to this global challenge? How we accommodate our transport policies? How we elaborate guidelines to decarbonizes transport sector and simultaneously achieve sustainable development, economic growth and prosperity? It is a difficult and complex issue, demanding political will. The Lithuanian Chairmanship is inviting the OSCE participating States, international organizations, experts and civil society representatives to express their views, ideas and suggestions

on how to promote sustainable transport and implement its principals in legislation and business practices of the participating States.

We are planning to discuss the following main topics during the meeting: (1) promotion of sustainable transport in the OSCE area; (2) environmentally friendly transportation choices: the role of policies, innovation and technologies; (3) facilitation of international land transport; (4) co-ordination and simplification of border crossing and customs clearance procedures; and (5) integration of transport networks in the OSCE area.

We hope that discussions in the framework of the OSCE will facilitate identifying sustainable transport solutions. The exchange of best practices and innovations will help to adjust the transport sector to the needs of a sustainable society in the OSCE area and beyond.

I am pleased that the format of the OSCE Meetings provides a rich, creative and diverse working atmosphere, which I can also see today with the presence of so many honorable guests. Please allow me to recognize the Secretary General of the OSCE Ambassador Brichambaut, the Secretary General of the Black Sea Economic Cooperation Ambassador Chrysanthopoulos, the Director General of International Federation of Freight Forwarders Associations (FIATA) Mr. Sangaletti. I also welcome representatives from the European Commission, United Nations Economic Commission for Europe (UNECE), International Road Federation, International Energy Agency, UNCTAD, EurAsEC, official delegates of the OSCE participating States as well as representatives of business associations and NGOs.

Dear Distinguished Guests,

In closing my welcoming remarks, I would like to wish you successful discussions and mutually beneficial work, and invite you and your colleagues to actively exchange views regarding the development of sustainable transport here, in Druskininkai. I look forward to seeing you again and continuing the dialog in the concluding meeting of the 19th OSCE Economic and Environmental Forum which will take place in Prague next September.

Thank you.

Opening Remarks

by **H.E. Marc Perrin de Brichambaut**

Secretary General of the OSCE

Dear Vice Minister Staras,
Dear Vice Minister Meilunas,
Mr. Mayor,
Excellencies,
Ladies and Gentlemen,

We are here together in this beautiful resort town of Druskininkai on a spring day with great facilities - what better way to start this Second Preparatory Meeting of the 19th OSCE Economic and Environmental Forum. Let me thank our host, Lithuania, the 2011 OSCE Chairmanship, as well as Goran Svilanović and the Office of the Co-ordinator of OSCE Economic and Environmental Activities for putting together an interesting and stimulating agenda and distinguished group.

This meeting, as part of the broader Forum process, is dedicated to the promotion of common action and co-operation in the field of sustainable transport. It is an area of work that enhances the continuity of the OSCE approach in the economic and environmental dimension from Chairmanship to Chairmanship. It is an issue that can contribute to advancing regional and sub-regional co-operation across the OSCE region.

Along with sustainable energy issues – the other main building block of this year’s Forum – transport is of crucial importance to all participating States. While the energy sector by definition underpins economic activity, the transport sector provides fundamental cross-sectoral communication channels, brings people and businesses closer to each other, and facilitates trade, thus making development and growth possible and helping to spread prosperity. This is true at the national level, at the regional level and more broadly.

What is the OSCE’s contribution in this field, and how can we add value to the efforts of others?

The OSCE takes pride in providing a unique platform for political dialogue, an active forum on a wide range of security issues, including economic and environmental questions. We also value the first-hand local knowledge and experience we gather through our network of field operations, and the diverse membership of our Organization, which brings together 56 participating States and 12 Partners for Co-operation from five continents.

The OSCE consistently emphasizes the importance of co-operation and synergy with other international and regional organizations promoting networks for focused action. It engages constructively in promoting co-operative, integrated and sustainable transport solutions through inclusive dialogue, involving multiple stakeholders in government, the private sector and civil society.

The OSCE can support and facilitate regional co-operation, and it can act locally. With regard to today’s specific topic – the development of sustainable transport – I would like to share with you a couple of examples of the work that we do.

In recent years we have contributed towards the implementation in the OSCE region of the “Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries.” Promoting the co-operation between landlocked countries and their transit neighbours not only benefits the nine landlocked developing countries in the OSCE or two of our Partners for Co-

operation, Afghanistan and Mongolia, but generates positive effects for all of us through transport and trade facilitation across the Euro-Asian land mass.

Another example of the OSCE work is a Training Seminar on Prevention and Detection of Illegal Transboundary Waste Transportation and their Disposal, conducted in June last year by the OSCE Border Management Staff College in Dushanbe with support from the Office of the Co-ordinator of Economic and Environmental Activities. This issue is an emerging challenge in many parts of the OSCE region. It may have serious environmental and health related consequences and is also often linked with other transnational organized crime activities.

I am certain that the Co-ordinator, as well as the representatives of OSCE field operations who are with us today will give you further examples.

In the field of transport, we have developed strong partnerships with other organizations such as the United Nations Economic Commission for Europe (UNECE). We have worked with them to promote the International Convention on the Harmonization of the Frontier Control of Goods. The OSCE has also provided support to the work of the Euro-Asian Transport Links Project (EATL) – Phase II, the most recent example being an Inter-Regional Workshop co-organized in December 2010 in the port of Turkmenbashi, Turkmenistan. We would like to see cooperative efforts such as this continue to expand.

Ladies and Gentlemen,

The OSCE's engagement in promoting transport co-operation is already a success story. But in order to maintain this positive momentum, we must constantly adapt in response to new and evolving challenges.

Last year, under the Chairmanship of Kazakhstan, the annual OSCE Economic and Environmental Forum also focused on transport issues. We discussed the impact of the financial and economic crisis on the transport sector, and the potential of transport co-operation and cross border facilitation in underpinning economic recovery. Today, although we can see positive trends in global freight, many questions and uncertainties remain:

- Will the recovery be sustainable?
- Will we face an energy crisis?
- Will new technologies be developed fast enough and prove economically viable?
- Finally, is the pre-crisis model sustainable or do we need to put something fundamentally new and innovative in place?

Some of these issues are not new, but the urgency of addressing them has never been clearer.

On the one hand, states need to co-operate more closely in removing obstacles to cross-border trade and designing innovative inter-modal and logistical solutions. This is the way to turn international transport into an effective tool facilitating economic development across our region. Of course, we also need to bear in mind the environmental consequences of our activities. We should adopt a comprehensive approach, which advances transport efficiency and sustainability from both an economic and an energy and environmental perspective. We have to take new initiatives to fill the gap of exchanges that exists at the heart of Eurasia by comparison with other areas.

In this context, let me mention the 2006 Brussels Ministerial Council Decision on Future Transport Dialogue in the OSCE (MC.DEC/11/06). This decision is based on the recommendations and conclusions of the Forum process. It emphasizes the linkages between transport development and the environment as well as the importance of promoting environmentally sustainable transportation choices. It encourages participating States to consider signing, ratifying and effectively

implementing international agreements aimed at reducing the negative impact on the environment of economic activities, and in particular of transport activities. This decision also calls on participating States to apply and share best practices in the field of technological progress aimed at reducing the negative impact on the environment of transport activities.

We therefore need your ideas and your inputs.

I am confident that this meeting will help us to have a clearer view of existing needs and possible ways forward in promoting the sustainable development of transport across the OSCE region. I hope that it will also be instrumental in defining the role of the OSCE in this regard and that in the end we will have a stronger sense of initiative, co-operation and responsibility in carrying out our common goals.

I wish you an interesting and fruitful dialogue! Thank you for your attention.

Opening Remarks

by Mr. Goran Svilanović

Co-ordinator of OSCE Economic and Environmental Activities

Excellencies,
Ladies and Gentlemen,

Today we initiate the second and last Preparatory Meeting of the 19th Economic and Environmental Forum. I would like to express my gratitude to the Lithuanian Chairmanship for hosting the meeting in this beautiful city and for its close and very productive co-operation in the organisation of this event.

Just a couple of months ago the First Preparatory Meeting on the Development of Sustainable Energy took place in Vienna. The event was a success and I am sure that, together with the Druskininkai Meeting, it will contribute to better prepare us for the Concluding Meeting in Prague.

It is time now to cover the second important topic included in the theme of this year's Forum: the Development of Sustainable Transport.

Ladies and gentlemen,

Transport is intrinsically linked to environment, economy, energy, infrastructures, to livability in cities and to connection between countries. It brings us closer, enhances co-operation among regions and activates business. In this regard, it is in our interest to make the OSCE area sustainably connected.

However, sustainability in transport is also a challenge. Nowadays, 750 million cars and trucks are in circulation in the world. Globally, transport consumes more than half of all oil produced and generates 24% of the CO₂ emissions resulting from human activities. Moreover, according to forecasts the number of cars and trucks will triple by 2050. This will have a tremendous impact on the economy but also on the environment. An increase of transport activities will doubtless generate social and economic wealth, but it can also entail energy scarcity, increase greenhouse gases' emissions, accelerate environment degradation, and lead to traffic congestion. Therefore, it is in our interest to discuss and work on the right policies, enhance our co-operation, focus on new technologies and change our behaviour as users. We cannot question the necessity of moving, but we have to learn how to do it in a sustainable way.

Ladies and gentlemen,

The OSCE involvement in transport matters is already mentioned in Second Dimension's basic documents such as the Helsinki Final Act, the Bonn Document and the Maastricht Strategy Document. However, it was just five years ago, under the Belgian Chairmanship, when transport was for the first time included as a core theme in the agenda of the Forum. Since then, the Forum has been a platform for discussions on transport in three more occasions, including this one. The interest attached by participating States to this subject is therefore more than evident. I am pleased to witness that the continuity in the Second Dimension's work is promoted and productive.

From the OCEEA's side, we are committed to develop OSCE's expertise in this field. With this aim, last year we organised, in co-operation with some participating States and other international organizations, activities related to transport in Georgia, Kazakhstan, Tajikistan, Turkmenistan and

Uzbekistan. The development and implementation of these activities would not have been possible without the political will of the hosting States and in most cases, help from the Economic and Environmental Officers of the OSCE field presences. I would like to take this opportunity to warmly thank participating States for their close co-operation and the Economic and Environmental Officers for their remarkable work.

Also in connection with the OCEEA's involvement in transport activities, allow me to inform you that we are currently finalizing the preparation of a *Handbook of Best Practices at Border Crossings*, to be published in English and Russian. The handbook is being developed in co-operation with one of our principal partners, the United Nations Economic Commission for Europe and with the support of other OSCE relevant units. I am convinced of the important role this publication will play in the management of participating States' border crossing procedures.

Ladies and gentlemen,

During this Second Preparatory Meeting we will have the opportunity to listen to experts in transport that perceive this sector from different points of view. We will have the chance to learn from representatives of international organizations, regional NGOs, national governments and private sector, as well as from researchers and analysts. I am convinced of the importance of their input for the generation of productive discussions and practical recommendations. I would like to warmly welcome all of them and thank them for accepting to join us in this event.

In order to inspire our discussions, we will open the Meeting with a Panel Debate. It will be followed by Sessions devoted to environmental transportation choices, the facilitation of international transport, and the integration of transport networks in the OSCE area. I am confident that the ideas and proposals that will arise throughout these sessions will help us to better discuss during the Concluding Panel Debate on *the OSCE role in promoting sustainable transport solutions* scheduled for tomorrow afternoon.

Ladies and gentlemen,

I would like to finish my remarks by encouraging all participants to undertake dynamic and productive discussions. I am sure that by putting together our efforts we will find solutions to keep moving in a more sustainable way.

Thank you very much for your attention.

REPORTS OF THE RAPPORTEURS

OPENING PANEL DEBATE - PROMOTING SUSTAINABLE TRANSPORT IN THE OSCE AREA: CHALLENGES AND RESPONSES

Moderator: Mr. Arturās Racas, Journalist, Baltic News Service, Lithuania

Rapporteur: Mr. Roel Janssens, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

The Moderator opened the panel debate by briefly introducing each of the panellists. The first panellist to take the floor was *Ambassador Leonidas Chrysanthopoulos, Secretary General of the Organization of the Black Sea Economic Cooperation (BSEC)*. Ambassador Chrysanthopoulos started off by presenting the Black Sea Ring Highway project, one of his Organization's most prominent transport project envisaging a 7,000 km long transport link connecting BSEC members and providing a natural bridge between Europe and Asia. He also mentioned that a Black Sea Ring Highway Caravan had been organized jointly with the International Road Union (IRU) in 2007 and that this had been instrumental in monitoring obstacles and delays along this transport route and particularly at border crossings. Mr. Chrysanthopoulos also referred to the BSEC Transit Permit which allows empty or loaded trucks to transit during a single round trip through the territories of all participating Member States without having to present any other bilateral transit permit. He then expressed strong support for the IRU Model Highway Initiative, which focuses on trade facilitation and the removal of administrative barriers at border crossing points. Finally, he spoke about the BSEC Motorways of the Sea project and the ongoing discussion on the need to upgrade ports in the Black Sea region. He mentioned that a similar project could be undertaken in the Caspian Sea region. He warned however that given the many actors involved, there is a risk for overlap and duplication of activities which could lead to ineffective use of scarce resources.

Mr. Vladimir Garaba, Deputy President of the Environmental Movement of Moldova, stated that, when it comes to the use of environmental friendly transportation means, rural areas in the countries of the former Soviet Union have many similarities. Compared to the regulatory situation in EU countries, standards and regulations in CIS countries are often lagging behind. There are however positive evolutions. In Moldova for instance, despite the fact that 70 % of adults use transport vehicles, the overall fuel consumption went down last year. There is also an increasing willingness among adults to ride a bike. Public transport on the other hand needs to be further developed and there is also a need to increasingly involve civil society in the development of environmental friendly transportation policies.

Ms. Anita Makinen, Head of the Marine Environment Protection Unit, Finish Transport Safety Agency, started by explaining that shipping is a global business, regulated by the International Maritime Organisation (IMO) and to some extent by EU rules. In a context of climate change, harmonized actions are needed to reduce greenhouse gases. She added that in the OSCE region the impact of climate change could be quite drastic. She then presented a number of measures that would help reducing the amount of greenhouse gases deriving from the shipping industry. In addition to technical measures and to the implementation of an energy efficiency operational index, she also referred to the possibility to introduce energy efficiency management plans, emission trading schemes and greenhouse gas levies. She added that progress is being made but too slowly. In order to speed it up, a global agreement would be needed and there is a potential for OSCE countries to contribute to this. Ms. Makinen also referred to the potential of new shipping lines in the Arctic region and polar areas and to the access to resources there. She stressed the environmental vulnerability of this region. Ms. Makinen ended her presentation by emphasizing that Finland stands ready to co-operate with all OSCE countries in trying to achieve global regulations enabling sustainable use of the region's marine areas.

Mr. Valery Pershin, Deputy Head of the Department for Labour Protection, Industrial Security and Environmental Control at the Russian Railways, presented his company's environmental impact assessment strategy for the period 2010-2030. He explained that 84 % of railway operations in Russia represent transport of cargo. In terms of modernization of the rolling stock, one of the strategic goals by 2020 is to decrease the number of diesel locomotives by 20 % and to increase the number of locomotives that operates on more environmental friendly fuels such as steam and liquid gas. It is also envisaged to cut by that date the energy consumption by half. Measures are being undertaken to save 20 % of fuel in winter and 10 % in other seasons. Furthermore, the Russian Railways expects an increase in passenger numbers and aims at decreasing the travel time along the trans-Siberian railway by one third. Mr. Pershin concluded his intervention by stressing that there is a need for further strengthening the environmental legislation in close co-operation and coordination with neighbouring countries.

Mr. Niall Leonard, Directorate General for Mobility and Transport, European Commission, highlighted the recently published European Commission White Paper on the Future of Transport and announced that he would give a detailed presentation on this issue in Session I. He stressed the need to increasingly look into energy saving technologies, even in complicated political environments, involving oil producing countries. He also mentioned the issue of population growth and how that impacts on transport and on the environment. Finally, he elaborated on how trade patterns are often unusual these days: because of the relocation of industrial plants to East and South East Asia, very small consumer goods are often transported to European markets over a very long distance. He finalized by indicating that the current situation may be seriously disrupted if energy resources are to become more expensive as transportation over such long distances would no longer be feasible.

Mr. Vytautas Naudužas, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, started off by describing sustainable transport as "free, safe and secure movement of people and goods, without doing damage to the natural environment". He added that on average around 10,000 ships navigate the Baltic Sea annually and that this has serious consequences for the marine environment. In order to tackle these consequences, political will is needed but also increased financial investments in research and innovation. Ideally, transport should be developed in a balanced manner, maximizing economic benefits while at the same time minimizing the impact on the environment. Mr. **Naudužas** listed a number of measures that are considered important when trying to optimize the efficiency of transport, including: availability and sharing of adequate information, availability of know-how and sufficient human resources, investments and active engagement of local, national and international communities. He added that not necessarily more rules, regulations, agreements and conventions are needed, but rather a better implementation of the existing ones.

Mr. Hans Henrik Sievertsen, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE), highlighted the inter-linkages between sustainable transport on the one hand, and social and economic sustainability on the other hand. As an example, he added that empirical studies in the US and the UK show that a lack of access to transport is an impediment to finding a job and even getting appropriate education. Sustainable transport is a necessary precondition not only to attract investments but also to bring about environmental sustainability and more efficient use of energy resources. Recent studies show that CO2 emissions deriving from inland transport increased by 15 % and that this upward trend is likely to continue in the coming years. He also warned about the impact that noise of road transport can have on the health of citizens and added that while the use of bicycles is something worthwhile promoting this also requires the necessary infrastructure to be in place, otherwise it becomes a safety issue.

Questions and answers

Mr. Anthony Pearce, Senior Advisor, Project for Development of Logistic Centers/Nodes in Central Asia, mentioned that in Central Asian shops and markets up to 40% of the costs of products account for transport costs. In the US and the EU this is on average only 7%. These transport charges can be both legal and illegal. In some cases delays at borders for instance are created on purpose, mostly for political reasons. Also, the EU is not immune when it comes to non-physical obstacles to transport particularly at its Eastern external borders. At many of the border crossings there all cargo is being X-rayed and this leads to long waiting times for trucks wanting to cross the border into the EU. Unnecessary delays are bad not only for the producers and transport companies but also for the consumers and national economies. In order to tackle this issue, decisions need to be taken at the highest political level. Also, efforts to eliminate corruption in border police and other control agencies have to be increased. Some of the largest donors such as the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB) consider addressing non-physical barriers to legitimate cross border trade and transport as a high priority.

Mr. Leonard mentioned that delays at border crossings between the EU and its Eastern neighbours have been an issue for a number of years, but that efforts are being made to improve the situation.

Ms. Olga Andrianova, Associate Lecturer, Open University, Faculty of Business and Law, United Kingdom, added that sustainable transport is important for the public as well as the private sector. In this regard she stated that co-operation between those two sectors should be improved. This is only possible when both sides are getting clear benefits. A reference was made to the UN Global Compact initiative which is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with a number of universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The bottom line is that customers should not be considered only as a source of money, but that businesses should also take responsibility for their health and safety. In conclusion, the participant suggested further discussion on how transport companies can integrate and reflect these corporate governance issues into their day-to-day work.

Mr. Alexandros Katsanis, Counsellor Expert, Permanent Mission of Greece to the OSCE added that promoting regional co-operation remains at the heart of his Government's international agenda. He stressed that duplication of activities of various International Organizations should be avoided. Regional and inter-regional co-operation should be promoted as it can also contribute to a more efficient use of scarce financial resources. The OSCE should further explore how it can link up with what other regional organizations are already doing. He finally stressed that future problems that may occur at the regional level can only be solved through joint actions. In this regard, the role of the OSCE field operations was commended.

Ambassador Chrystanthopoulos added that BSEC conducts regular coordination meetings with all other regional actors and that this led to the identification of certain areas of duplication. These coordination exercises have turned out to be very effective in terms of fund saving. He added that the role of the OSCE is quite important as far as transport is concerned, particularly in the context of the efforts towards resolving the protracted conflict dealt with by the Minsk Group. Without this frozen conflict the transport situation in the region would be very different. There would for instance be a direct access to the Asian network from Europe onwards. As well, the whole economic context and potential of the region would seriously improve. In this regard, the OSCE's role as a political facilitator and mediator between the sides is very valuable

Ambassador Cynthia Efird, Senior State Advisor, US Commission on Security and Co-operation in Europe, Department of State provided with an example of best practices: the transboundary co-operation on shipping between the US and Canada in the Great Lakes. This co-operation started a decade ago and therefore needs regularly new and innovative solutions. One of these solutions has been last year's showcase effort proposed by US, Canada and France and approved by IMO, which

designated an Emission Control Area (ECA) in North America. This initiative requires large ships to use cleaner fuel and technologies. Currently, the US is trying to designate a similar ECA in the Caribbean. Ms. Efrid indicated that this initiative could serve as a model for other inland waterways in the OSCE region.

Ms. Makinen referred to a number of Sulphur Emission Control Areas (SECAs) that in accordance with the MARPOL Annex VI have been implemented in the Baltic Sea, the English Channel as well as the North Sea. She added that in the EU context the Commission is considering to extent this initiative to other European sea areas and to strengthen inter-regional co-operation in this field. Finally, Ms. Makinen mentioned that these issues would also be discussed during the upcoming annual meeting of IMO.

Mr. Pershin enquired about the best way ahead: shall the focus remain on the use of old technologies or shall a more innovative approach be taken, also in terms of the use of new fuel resources.

The Moderator raised the issue of who should pay for pollution, the user or the polluter? He also wondered whether there are other instruments available apart from financial incentives, such as the use of innovative technologies.

Mr. Sievertsen responded by explaining that in order to get the best results a combination of instruments is needed. Taxation for instance should be combined with the availability of effective public transport systems and education initiatives such as environmental driving training courses. He added that there are only two options, either the ‘user’ pays or ‘everybody’ pays. For instance in the case of the aviation sector, should the person who flies pay or should all the other tax payers pay? While several cost-sharing models are available, the model where the user pays for his/her pollution is becoming the standard.

Ms. Makinen responded by highlighting the importance of promoting existing ‘good practices’ She added that indexes are not the only way of reducing green house gasses and that there are also other, very practical tools. The speed of vessels could be reduced for instance or staff could receive environmental training.

Ambassador Chrystanthopoulos emphasized the need for innovation. He explained that even nowadays vessels can be used with modern sails which would reduce the need to use their engines. Also the increased use of solar energy is something worthwhile exploring further. Finally, the Ambassador emphasized the need to make security measures more effective, stressing that many of the regulations currently in place are often not efficient, for instance in the aviation industry.

The overall conclusions of the panel debate were the following:

- **There is a need to measure the current state of affairs, both nationally and regionally;**
- **More co-operation is needed both at the regional and the global levels;**
- **Civil society should be involved in decision-making processes related to sustainable transport;**
- **Public transport should be further developed;**
- **Harmonized actions are needed to reduce greenhouse gases;**
- **Measures such as an energy efficiency operational index, energy efficiency management plans, emissions trading schemes and greenhouse levies should be taken into consideration;**
- **Global agreements can accelerate the process towards a more sustainable transport;**

- **Current regulations should be strengthened and better implemented;**
- **In the maritime field, new routes and lines could be explored and promoted;**
- **Political will should be accompanied with increased financial investments in research and innovation;**
- **Availability and sharing of adequate information and know-how, together with sufficient human resources, investments and active engagement of local, national and international communities could optimize the efficiency of transport;**
- **Adequate infrastructure is needed;**
- **Overlap among regional organizations should be avoided;**
- **Corruption should be tackled in border control agencies;**
- **The OSCE efforts to resolve frozen conflicts also promote a better transport situation in the region.**

SESSION I – ENVIRONMENTALLY FRIENDLY TRANSPORTATION CHOICES: THE ROLE OF POLICIES

Moderator: Ambassador Ihor Prokopchuk, Permanent Representative of Ukraine to the OSCE
Rapporteur: Ms. Urfa Qadri, Political Officer, United States Mission to the OSCE

The Moderator, *Ambassador Ihor Prokopchuk, Permanent Representative of Ukraine to the OSCE*, opened the floor by reminding that greenhouse gases are increasing faster in transport than in any other energy using sector. Therefore, he indicated that new policies are needed to face this problem. In this regard, he mentioned that Ukraine adopted last year a new Transport Strategy until 2020. This document envisages a 30% reduction of transport emissions and a 15-20% decrease of transport energy consumption by modernizing the transport sector and by introducing incentives. Then he opened the floor and reminded participants that the aim of this discussion was to find new ideas and best practices for common benefit.

Mr. Niall Leonard, Directorate General for Mobility and Transport, European Commission, presented the European Commission White Paper – Roadmap to a Single European Transport Area. The paper focuses on transport and its effects on the environment with projections out to the year 2050. Mr. Leonard clarified that in drawing up this new White Paper the European Commission has been looking primarily to the 27 EU member States, but also to other OSCE participating States.

Among the key factors taken into consideration, besides climate change, a major issue is the size of the population and its growth perspective. It is predicted that the world will have 2 more billion people by 2050, most of whom will live in non-OSCE countries and will face economic problems. Moreover, the consequent greater competition for resources will have a huge effect on the price and availability of goods, which in turn will affect regional and international politics. Therefore, as stated in the White Paper, new challenges will be added to the old ones. In this regard, Mr. Leonard suggested that together with best case scenarios, worst ones should also be taken into consideration.

The paper proposes some ideas aiming to anticipate environmental and resource constraints expected over the next 30 years. Among them, Mr. Leonard mentioned the following:

- To halve the use of conventionally used cars in cities and therefore modify consumers' habits, and to move away from oil in aviation (technological advances are needed to reduce the dependence of aviation on oil);
- To rely less on road transportation for long distance freight (over 300 km) by using trains or inland waterways. In connection to this idea, it would be advisable to increase, depending on the economic viability, the reliance on high speed trains. Mr. Leonard also mentioned the

multimodal TEN-T core network which looks at ensuring linkages between different modes in the most efficient way possible;

- To reduce the amount of energy used by applying information to transport and freight more consistently;
- To make aviation more efficient by organizing the air routes and spaces in a way that would allow planes to travel in a straighter line, which will have as a consequence a reduction of the use of fuel. With the same aim, European information management and payment system should be also considered;
- To bring down road fatalities.

Some ways to reach these goals could be: to promote market integration, for example by facilitating the planning of train trips on internet using the flights planning system as a model; to encourage innovation and research; to ensure, at EU level, the necessary infrastructure by properly interconnecting the member States; to find efficient solutions to the EU transport interface with its neighbours.

Ms. Susanna Zammataro, Deputy Director General, International Road Federation (IRF), started off by declaring that cutting emissions is now a necessity. She stated that without any policy change emissions will grow dramatically, and consequently the temperature would increase by more than 2 degrees Celsius. This situation would provoke the sea level rise, causing flooding, modifying geography and leading to collapsing and/or transforming transport routes. Taking into account that building infrastructure and changing users' behavior take a long time, Ms. Zammataro stressed that countries should react now.

Then, she analyzed some **strategies** in transportation:

- The need to introduce low carbon fuels.
- The increase of fuel efficiency by bringing to the market more efficient engine design, aerodynamics and lighter vehicles. The cost of changing would be outweighed over long term, but replacement costs of large transport fleets are one obstacle.
- To improve transport efficiency of the system as a whole. This includes optimization of design, construction and operation of networks; reduction of speed limits; improvement of traffic management; increasing of information dissemination; creation of operation and management of infrastructure. The drawback could be that the initial greenhouse gas reduction is offset by induced demand of easier travel.
- To reduce carbon intensive travel. This requires changing the behavior of the user, pushing the user to shift to a less energy consuming mode of transport. Some methods of forcing behavioral change include pricing mechanisms, ease of travel, better public transportation, creating infrastructure for non-motorized transport, and public information campaigns.
- To align transport planning and investment decisions in order to improve efficiency of public expenditure.
- The need for economy-wide pricing of carbon. The price of emitting carbon should be high enough to push business sector and users to make better choices.

Ms. Zammataro continued by listing some **policy options**:

- Government policy can create **efficiency standards for fuels and vehicles**. This will have a modest to moderate impact on short term, but potentially a very large one in the long term.
- **Planning and funding**: governments can give technical assistance to agencies in order to help them to get the necessary and adequate data and tools with which to assess emissions. Additionally, transport planning regulations could be implemented, from encouraging states to mandatory requirements for greenhouse gases reduction.

- **Incentives:** the governments could set aside specific funding for projects to assess environmental impact. The pay-off is modest in the short term and moderate in the midterm.
- **Market-based mechanisms:** tax credits and/or subsidies can be given and be linked to distance traveled. The effects would be moderate in the medium term and could have a large effect in long term, depending on the pricing level.
- **Research and development:** there is a need to finance technology to provide companies and policy makers with data allowing them to make the right decisions. Policy research needs to be based on the interaction between strategies, economic impacts and institutional issues.
- **Economy-wide price signal:** applying a carbon price will have a large impact in the long term.

Ms. Zammataro concluded by indicating that technological options are promising in the long term, but not in short term. Thus, non-technological options such as policy packages should be fully taken into consideration.

Ms. Malika Babadzhanova, Head, Central Asian Regional Environmental Centre, Tajikistan, was the next speaker to take the floor. She mentioned that cars are one of the major environmental issues in Tajikistan. She specified that there are more than 350,000 cars in the Republic of Tajikistan and that only less than 3% are less than 3 years old. Consequently, most of these cars are high-polluters. Moreover, she added that in the 1990s, cars went from 40% to 83% of entire harmful emissions nationwide.

Ms. Babadzhanova added that, from the governmental side, policy frameworks including environmental aspects are identified in the National Development Strategy until 2015, the Poverty Reduction Strategy Paper III - 2010-2012 (chapter “Environmental Sustainability”) and the Environmental Concept Paper approved by the Government of Tajikistan in 2008. These documents foresee investments in transport to reduce environmental pollution. Tajik NGOs have also contributed to identifying solutions to problems in the field of transport and to promoting environmentally-friendly policies as follows:

- Through the organization of events on the occasion of the Earth Day, including demonstration of the use of bicycle (one day without a motor vehicle);
- Delivering general training during youth summer camps;
- Participating in the development of environmental management plan for Dushanbe;
- Organising tree planting across the country;
- Participating in the development of thematic chapters on “Environmental Sustainability” of the Poverty Reduction Strategy II and III, and of the National Development Strategy (NDS);
- Conducting environmental impact assessments for transport related projects (e.g. construction of logistics centres, improve roads, etc.);
- Developing project proposals for construction of bicycle paths and pedestrians infrastructure in cities.

Mr. Babadzhanova pointed out the necessity to upgrade the automobile park in Tajikistan, to promote the development of more efficient transport systems, and to implement environmentally-friendly policies in the transport field. With this aim, she listed the following proposals:

- Promoting mobility management schemes for companies, organizations and schools, in the field of recreation and entertainment;
- Raising awareness about various options for mobility by improving coordination within the frameworks of territorial and transport planning;
- Fostering the application of information technologies;

- Facilitating the ratification of the Protocol on Strategic Environmental Assessment to the Espoo Convention, which clearly states that NGOs should be involved in decision-making on development projects, including transport;
- Participating in development of poverty reduction strategies (in particular the environmental sustainability chapters);
- Promoting growth in the share of vehicles having zero or low emissions on the environment, as well as increased use of alternative fuel based on renewable energy;
- Sharing knowledge and experience in research, policies and efficient practices;
- Supporting activities at local level aimed at optimal development of transport options paying due attention to health, environment and welfare considerations;
- Strengthening co-operation between various levels of government, research institutions, NGOs, international financial institutions and other partners to increase unified criteria for development of environmentally-friendly and healthy transport;
- Promoting policies and actions aimed at ensuring healthy and secure transport, including development of walking and cycling infrastructure;
- Contributing to the promotion of effective and affordable general public transport (e.g. optimal routes, conduct of public surveys etc.) with particular attention to the needs of vulnerable populations, specifically children and people with disabilities.

Ms. Babadzhanova gave some suggestions that might be taken into consideration by the OSCE in the field of transport in Tajikistan. First of all she stressed the necessity to strengthen Tajikistan's capacity of environmental impact assessment through **upgrading the legal and regulatory framework and mechanisms for environmental assessment in the road sector, together with the capacity building in ecological assessment**. In this regard she suggested that the OSCE could support the signature of the Protocol for Strategic Environmental Assessment to the Espoo Convention by Tajikistan. Moreover, Ms. Babadzhanova emphasised the importance of supporting the development of documents such as the Instructions for environmental impact assessment (EIA) at project design, reconstruction, construction, and road vehicles" and its harmonization with current environmental legislation, as well as the Instructions on drafting of "Environmental chapter" for road development projects. Furthermore, she underscored the **necessity to organise workshops and trainings** on application of EIA Guidelines with demonstrations of how modern equipments analyzing air quality work. Ms. Babadzhanova also underlined the necessity to develop information systems for environmental impact assessment and strategic environmental assessment for territory, field, programmes, policy and strategy development plans. She added that there is a need for support in adjusting documentation on Environmental Assessment of projects implemented by various international financial institutions in Tajikistan in line with Environmental Management Plans.

The last speaker of this Session was *Mr. Tihomir Dakic, Project Manager, Center for Environment, Bosnia and Herzegovina*. His intervention focused on overcoming the difficulties faced by NGOs due to the lack of the government participation in the initiatives they usually propose. Concerning the use of bikes as a way to promote sustainable transport, Mr. Dakic underlined that there is a determinant factor that prevents some people to use bikes as a daily basis transport. In his view, the main reason is a still a materialistic society that values the novelty of cars and considers that bikes are for poor people.

After these presentations, the floor was opened for all participants. During the discussion several topics were addressed. For example, *Mr. Leonard* provided further comments on the environmental sustainability of various transportation modes. He clarified that electric trains are in principle greener than airplanes, not because they need less energy, but because the source for this energy is greener.

On a different subject, *Ms. Zammataro* agreed with previous speakers in considering that in order to change the consumer's behaviour, politicians should be more actively involved and should set an example with their actions.

Ambassador Cynthia Efrid, Senior State Advisor, US Commission on Security and Co-operation in Europe, Department of State mentioned three policy packages put in practice by the US on sustainable transport: the *National Clean Fleet Public-Private Partnership* to help large companies to reduce diesel and greenhouse gases in their fleet by incorporating electric vehicles, alternative fuels and fuel saving measures; a policy package headed by the US Environmental Protection Agency and called *Smart Way* promoting a branding of more efficient products and services aiming to reduce transportation emissions (this policy is used as a model for similar efforts in the EU, Canada and Australia); a third package seeking to create a set of livability principles to improve access to housing, more transportation options and low transportation cost.

Finally *Mr. Bakyt Dyikanbaev, Senior Specialist, Ministry of Transport and Communications, Department of Strategic Development* took the floor to request for further information and expertise on sustainable transport and best practices.

SESSION II – ENVIRONMENTALLY FRIENDLY TRANSPORTATION CHOICES: THE ROLE OF INNOVATION AND TECHNOLOGY

Moderator: Mr. Hans Henrik Sievertsen, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE)

Rapporteur: Mr. Yaroslav Yurtsaba, National Project Manager, Office of the OSCE Project Co-ordinator in Ukraine

The session focused on the role played by research, development and technological innovations in the policy area, and how these factors shape the policy-making process. Three presentations were made featuring various aspects of this topic: *Mr. Tali Trigg, Energy Analyst, International Energy Agency (IEA)*, discussed the latest improvements related to energy efficiency in the transport field. *Mr. Manuel Lage, General Manager, Natural Gas Vehicle Association Europe (NGVA Europa)*, outlined the existing alternatives to oil derived fuels, and described natural gas and biomethane as the most economic choices to the traditional oil-derived fuels. *Mr. Egidijus Skrodenis, Head of Traffic Safety Division, Lithuanian Road Administration*, presented the Lithuanian authorities' perception on traffic safety.

Mr. Tali Trigg began by providing the audience with targets set by the IEA to reduce the level of CO₂ emissions by 2050. The speaker stressed that to cut by 2050 CO₂ emission to 50% below the 2007 level would require a global technological revolution. An important part of these truly revolutionary changes would be the transfer to new technology vehicles and new fuels. The speaker noted that some positive changes on the way to the desired goal could be observed even nowadays. However, there are also a number of issues which are slowing down the process. These are the need for infrastructure improvements, development of new policies, and concerted actions of national and regional governments, business sector and civil society. Mr. Tali Trigg also touched upon various scenarios which could be projected on the way to the sustainable transport.

The speaker singled out several ideas which the OSCE could utilize to foster the development of sustainable transport using its political clout and traditional tool-box of policy recommendations. According to Mr. Trigg the following actions could be undertaken:

- Policy interventions should be made to cut on the use of oil and related CO₂ emissions (the failure to do so might lead to doubling of oil use and CO₂ emissions by 2050);

- To effectively reverse this trend, we could promote efficiency improvements, technology development and search for alternative fuels;
- A strong emphasis should be made on the modal shifts via smart growth and increasing investments in the state-of-the-art transit and bus systems.

Mr. Manuel Lage dwelled upon the advantages of bio natural gas and provided participants with rich data concerning the potential of natural gas vehicles. The speaker noted that natural gas could be used in existing internal combustion engines with only minor additional investments. Mr. Lage described recent trends in the number of cars running on natural gas. According to the speaker, the upward trend is encouraging. This trend has positive environmental implications as the natural gas use as opposed to oil-derived fuels means cleaner air. The important feature of natural gas is that it could be viewed as a renewable source of fuel inasmuch as the production of biomethane, both from urban and agricultural waste, increases year after year. Mr. Lage highlighted as well the economic benefits and the clear environmental advantages from the use of natural gas and methane.

The speaker concluded that natural gas (methane) is an excellent energy vector with the lowest carbon to hydrogen ratio. The following potential actions could be undertaken by the OSCE in this area:

- Promote alternative energy solutions;
- Raise awareness of environmental and economic benefits of the natural gas for optimal policy solutions.

Mr. Egidijus Skrodenis devoted his presentation to the relation between traffic safety and environmental protection from the perspective of the Lithuanian Road Administration. The speaker touched upon various aspects of traffic safety, such as engineering research and development, infrastructure development, traffic enforcement, etc. The presenter revealed statistical data related to the number of fatalities resulting from the accidents on the road in Lithuania and in the European Union in 2009-2010 which demonstrated some positive trends and overall decrease in the number of car accidents in recent years. Mr. Skrodenis stressed, however, that serious measures have to be undertaken to considerably improve the existing situation in a sustainable manner. These include, according to the speaker, stricter safety enforcement measures, wide educational campaigns, various engineering innovations to improve the traffic safety, etc. The speaker repeatedly underlined that traffic safety is intertwined with environmental protection and called upon interested parties to take note of that fact and pursue policies which are targeted at this dual task.

Mr. Skrodenis concluded that sound policy solutions are needed to improve the traffic safety. The OSCE could be instrumental in the following:

- Accumulate and disseminate best practices in the field of traffic safety policy solutions;
- Provide a platform for discussions for policy-makers and demonstrate linkage between traffic safety and environmental protection.

The presentations were followed by the discussion. The question was raised about the safety implications in the cars using natural gas. Mr. Manuel Lage explained what kind of safety devices exist which minimize potential risks resulting from the use of cars running on gas. Mr. Trigg added that new technologies certainly take into account the safety aspect

SESSION III - FACILITATION OF INTERNATIONAL LAND TRANSPORT: CO-ORDINATION AND SIMPLIFICATION OF BORDER CROSSING AND CUSTOMS CLEARANCE PROCEDURES

Moderator: Mr. Vytenis Ališauskas, Deputy Director of Customs Information System Center, Lithuania

Rapporteur: Robert Hull, Head of Section, Permanent Mission of Ireland to the OSCE

Session III focused on best practices to promote international trade and shipments. The moderator, *Mr. Vytenis Ališauskas*, opened the session noting that previously the essential criteria determining land transport had been price, but now safe and timely delivery to destination was also a critical factor.

Mr. Sergey Trubarov, Department Manager, Secretariat of the EurAsian Economic Community (EurAsEC) Integration Committee started his presentation by presenting his Organization. In this regard, he informed that EurAsEC was created in 2000 and that its five members are Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan. He added that international shipments within the community total 33 million tonnes of cargo. Moreover, he underscored that the priority areas for EurAsEC include a customs union, a common economic policy and a common transport space. The establishment of a customs union between Belarus, Kazakhstan and the Russian Federation was decided in 2007 at the EurAsEC Interstate Council. During the Council an Action Plan was adopted envisaging the establishment of the Union by 2010. As part of this process, a supranational body, the Commission of the Customs Union was set up in 2009. Three agreements remain to be signed to complete the process.

Mr. Trubarov spoke about the importance of better integrating transport systems and on the role that ratifying agreements in the area of transport and communication could play in enabling this. The importance of agreements on environmental issues was also noted. Mr. Trubarov highlighted the creation of a single transport licence for EurAsEC as an important initiative to facilitate faster shipments of goods within the community. Agreements also need to be made for when goods leave the territory of the member states and in this respect the co-operation with different third parties is crucial.

In closing, Mr. Trubarov noted some of the results achieved by EurAsEC to date, including: the adoption of the concept of establishing a common transport space; the adoption of the strategy of a logistics centres' system; the signing of an agreement on establishing and developing transport corridors; the approving a list of EurAsEC transport routes; the adoption of 108 investment projects; the progress made on joining 22 international UN agreements and conventions on transport.

In follow-up to the presentation, *Mr. Samad Qaralov*, Head of Division, State Customs Committee, Azerbaijan highlighted its country's work to standardize its transport laws to enable better control of cargo and trucks crossing its territory. This initiative is being led by a specially created Government committee, which is liaising with the relevant line ministries.

Ms. Catherine Truel, Director, International Trade Instrument, began her presentation outlining some of the changes regarding moving goods across borders. The first change noted is that heightened pressure on customs officials to clear goods faster, which has led to the increasing use of risk management and second hand checks as means for screening goods. As well as speeding up the process of moving goods across borders, it also allowed customs access to the accounts of companies, enabling them to undertake more in depth audits of their activities. There have also been changes in trading partners, with China, and more recently with Vietnam, joining the World Trade Organisation and the Russian Federation in the process of joining. The growth of global retail and

the changes this has brought about in purchasing patterns – offering customers the opportunity to buy from anywhere in the world – multiplies the number of transactions going through customs. Equally, these changes also offer great opportunities for small exporters. Brazil was highlighted as one country looking at how it can assist local small businesses export their goods through the use of the Brazilian post office network. Other changes included changing trade routes (which may offer new manufacturing opportunities), the change in trade practices (such as transfer pricing), the creation of multilateral trade agreements (which have the potential to make some bilateral agreements redundant), changes in trade security, and finally change in patterns of criminal activity.

The different varieties of borders that now exist were also highlighted by Ms. Truel. These can range beyond physical borders, with checkpoints and inspections, to economic borders, commercial borders, political borders and virtual borders. These borders are continually fluctuating and can move up and down at different speeds and therefore border agencies need to be flexible and adapt. These agencies need the support of all government services to support their activities in managing trade. Collaboration is also needed with the private sector as it will have a lead role in implementing global trade, particularly because as it owns so much of the trade infrastructure. Such collaboration between the government and private sector is mutually beneficial.

Ms. Truel highlighted the many different agreements and fora on transport issues that were available to improve transport legal and regulatory frameworks. There are also important procedures such as the UNECE Convention on Efficiency at Borders and an OSCE Handbook on Best Practices at Border Crossings which are there to be utilized. Human resource issues remain a challenge as customs management is not part of many courses at business schools, although this is changing. Another issue is the risk of duplication with so many agreements and fora in existence. A possible role for the OSCE might be to oversee the various organizations and commitments to help avoid that.

Mr. Eric Stewart, *Strategic International Advisor, US Chamber of Commerce*, outlined the Eurasia Business Platform launched by the US Chamber of Commerce in 2006. The project stemmed from a discussion as to why there was limited business being done by US companies in the Caspian Sea and Black Sea region, with the exception of the energy sector. A number of studies were commissioned which highlighted challenges relating to distance, lack of cultural understanding, differing business practices, the relatively small size of the market and challenges regarding the transporting of goods.

A further study followed this involving taking a caravan of trucks from Beijing to Brussels. The US Chamber of Commerce continued to investigate the issue and noted barriers to trade caused by inefficient bureaucratic processes and limited technology. A study also looked at the issue of security and trade facilitation. Mr. Stewart noted that the World Customs Organisation SAFE negotiations are continually taking place but it is a bilateral process and the prospect of multiple bilateral agreements raises concerns from the business community. One way to address this would be to find a multilateral mechanism. Mr. Stewart highlighted the TIR Convention as one possible solution, if security clauses could be added to it.

Mr. Stewart stressed that various reports constantly indicate that more regional co-operation and integration efforts are needed in order to make Eurasia become attractive from a business perspective. Currently, it is still difficult to cross borders and the problems this poses for the movement of goods means there is little investment. Potentially, any country in this area could be a transport hub, but because of the difficulties in doing business this is not a happening.

By way of follow up to their research, the US Chamber of Commerce began in 2009, together with the US Trade Representative, the US State Department and the Commerce Department, to organise events that bring together experts in the region. The OSCE participated in one such conference in Washington.

There are two solutions, which the US Chamber of Commerce is looking to implement. The first, together with the International Road Union, is to launch a **model highway initiative** on a particular section of highway that crosses one if not two borders. They are still looking for partners and a stretch of highway and would be keen to hear from interested parties. The second initiative is the creation of a **new web portal**, housed by Chamber of Commerce to bring together all the initiatives that are taking place globally and all the tools and resources that are being implemented today. Its aim is to educate governments and the business community of the opportunities available in the region.

The first participant to take the floor during the discussion was **Mr. Marco Sangaletti**, *Director General of the International Federation of Freight Forwarder Associations (FIATA)*. He asked what the role of the OSCE in border crossing facilitation is. Which organisation should his members look to, WCO or OSCE? He added that it is important to know where responsibility lies, particularly on implementation issues. **Mr. Aliaksandr Nistiuk**, *Head of Division, Customs Control Department, State Customs Committee, Belarus*, suggested that with regard to expert and technical issues it might be best to address to the WCO. He further commented that better sharing of information about customs rules and regulations is needed to facilitate smoother trade, noting that it is often difficult to get access to this information. Mr. Nistiuk also enquired as to how information regarding a simple transaction on the web reaches customs officials. **Ms. Truel** responded to this question by saying that ideally the system works with the trader inputting the information themselves and then it is dispatched to the relevant ministry who has to check it. According to how the system is set up there may be traders, routes or countries that are considered high risk. Information can also be provided by traders in their databases.

Ambassador Leonidas Chrysanthopoulos, *Secretary General, Black Sea Economic Cooperation Organization*, noted that they had proposed a certain motorway between the Ukraine and Moldova for the US Chamber of Commerce initiative.

Mr. Serhii Vlasko, *Head, State Border Service, Ukraine*, briefed delegates on co-operation between business and customs in Ukraine and an e-customs project it has established. This involves the creation of black and white lists, with companies on the white list enjoying the full benefits of facilitated customs. Directors, persons and declaring parties are also included on the lists as well as companies. Mr. Vlasko noted that co-operation between customs and business should be business orientated and understandable by business. Regular meetings could be useful in order to enable this.

SESSION IV – FACILITATION OF INTERNATIONAL TRANSPORT: INNOVATION, NEW TECHNOLOGIES AND INFORMATION EXCHANGE

Moderator: **Mr. Alexey Stukalo**, Deputy Co-ordinator / Head, Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Rapporteur: **Mr. Alexander Peytchev**, Economic and Environmental Officer, OSCE Office in Astana

The Moderator started off by introducing the first speaker **Mr. Constantin Ciuta**, *Senior Customs Adviser ASYCUDA World Project (UNCTAD)*. Mr. Ciuta's presentation titled "Simplification and automatization for faster and more efficient clearance of cargo shipments through the use of IT systems" concentrated on the UNCTAD ASYCUDA 4G solution, a tool developed by UNCTAD and offered for free to businesses and shipping authorities. It is an Integrated Customs Information System (ICIS), which allows for a paperless environment both for customs and trade. One of the key advantages is that all ASYCUDA e-documents (e.g. cargo manifests, T1 documents, TIR Carnets, SAD declarations as well as their reference data) are integrated with each other. The

system works through Single Electronic Access Points allowing a trader to lodge all his declarations to Customs electronically, via one single interface. Another advantage is that it can inter-operate on-line with external/governmental systems and databases through a Single Window environment. The systems also offers opportunities for putting in place an integrated multi-agency risk management and control system, the use of electronic signatures, the sharing of scanned images and X-rays of vehicles. Barcodes are being generated for each document and data are automatically processed and re-used which avoids duplicative data gathering. 99% of the required information is ready beforehand and is actually copy-pasted on all documents. Goods are only being released in case confirmation is received from all agencies in the control procedure. Mr. Ciuta stressed a need for international organizations to monitor and report on the movement of dual-use, sensitive and high-risk goods. He spoke in favour of combining fast clearance with efficient monitoring.

Mr. David Neumann, Senior Director Head of e-Commerce Europe, DHL started off by highlighting the freight forwarder's role as a vital link between the client and the customs authorities. He explained that his company had been established in 1969 and today is part of the Deutsche Post / DHL Group which generated in 2010, more than 51 billion Euros of revenues. The DHL network links more than 220 countries and territories worldwide, offering express, air and ocean freight as well as inland transport and international mail services. He explained that due to the increased automatization of clearance processes and the use of IT paperwork and documentation are no longer dealt with manually. Mr. Neumann concluded by formulating a concrete proposal i.e. he emphasized the need to introduce a single customer identification number globally. In this context he also mentioned the need to avoid check and clearance of shipments in each transit country. He added that since the Export Control System declaration became mandatory in the EU, customs authorities are unclear about whether they can still be held liable for a shipment that already was export cleared in another EU country or not. Consequently, many EU customs administrations start to request additional local ECS declarations. This will inevitably lead to shipments undergoing multiple security checks while in transit through Europe. At the global level Mr. Neumann stressed that there should be an agreement for mutual acceptance of the security inspections.

Ms. Airida Čėsniėnė, Director for Sventoji Port, Klaipėda State Seaport Authority, Lithuania outlined the main features and functions of the Klaipėda port with a focus on its security, sustainable development projects and trade facilitation efforts. The port is a traditional transport link for countries, such as Russia, Belarus, Ukraine, Kazakhstan and others and it maintains links to Black Sea destinations, facilities for cargo, passenger, container and combo-transportations, and even a free-trade zone in the vicinity. The port has already doubled its handling and clearance capacity between 1999 and 2010. The Director revealed the undergoing port expansion and renovation programme, which includes new passenger-cargo terminal, outer port, logistic centres, etc. These new developments are expected to make the port even more attractive for customers.

During the discussion time, *Ms. Olga Andrianova, Associate Lecturer at Open University, Milton Keynes, UK* put forward a number of questions both to Mr. Ciuta and Mr. Neumann. She was particularly interested to find out which companies provide ASYCUDA technology to customs authorities, and how many countries are currently using the system. She also enquired whether ASYCUDA could help in fighting illegal cross-border transportation of hazardous waste and illegal waste transfers. To Mr. Neumann in particular she asked whether DHL attaches importance to the aspect of transfer of quality standards from developed countries to countries in transition. She also wondered whether DHL and its subsidiaries would consider co-operation with environmental NGOs and whether this could be beneficial for the company.

Mr. Ciuta replied that ASYCUDA is provide free of charge and that no private company is involved. Funding might be needed for training activities (recently Georgia has done that through USAID) and many countries have done that through the World Customs Organization (WCO). To the second question he responded that ASYCUDA can be helpful. In principle everything that is

internationally monitored, should be exchanged through the respective statistics channels. On a personal note the customs expert stated that IT technologies do things faster, but nothing can be a substitute for good border management. *Mr. Neumann* was positive in general regarding the statement about quality standards transfer, however added that in smaller countries it may be more difficult to influence the prevailing quality standards. He also stated that the environmental aspects are best served when customs clearance is fast – then pollution from vehicles becomes minimal.

Mr. Samad Qaralov, Head of Division, Customs Committee of Azerbaijan, shared his administration's experience on single window procedures, adding useful details and more insights to the presentation of Mr. Ciuta.

Mr. Valdas Dovydenas, Deputy Head of the Lithuanian Customs Business Management Division, and former consultant on a project which promoted customs co-operation between Ukraine and Moldova shared his experience along transport routes linking Lithuania with Belarus, Ukraine and the Black Sea region. He added that typically clearance documents had been produced up to 20 hours ahead of the actual shipment. In summary, he recommended a standard notification of a recipient of cargo when the shipment exits the country of origin and/or the last transit country.

Ambassador Cynthia Efird, Senior State Advisor, Department of State, USA commented on ASYCUDA experience accumulated in Afghanistan and highlighted the 5-year training programme on risk management for the Afghan Customs implemented by the USAID.

Before closing the session, the Moderator made a concise summary of conclusions adding that:

- **OSCE can and should promote recognized international instruments and software tools for facilitation of international transportation, as well as exchange of best practices and regional co-operation in this area;**
- **OSCE can play a role in promoting international co-operation on monitoring movement of dual-use, sensitive and high-risk goods.**

SESSION V – INTEGRATION OF TRANSPORT NETWORKS IN THE OSCE AREA

Moderator: *Mr. Almabek Demessinov,* Counsellor, Permanent Mission of the Republic of Kazakhstan to the OSCE

Rapporteur: *Ms. Metka Lajnšček,* First Counsellor, Permanent Representation of the Republic of Slovenia to the OSCE

The Moderator introduced the main topics of the session and emphasized the need to step up efforts towards integrating transport network in the OSCE region. He underscored that several programs and initiatives are already ongoing. All of them aim to enhance interregional co-ordination and harmonization mechanisms, including addressing the specific transit transportation challenges of landlocked developing countries. In this regard, many Central Asian countries, due to their lack of direct access to major seaports, high dependence on transit services and cumbersome border procedures face high transportation costs, which impedes to a large extent the economic development of the region,

Mr. Anthony Pearce, Project for Development of Logistic Centres/Nodes in Central Asia, focused his presentation on the Project for Development of Logistic Centres/Nodes network in Central Asia. At the outset he underlined three white spots in the world, where telecommunications gap exist: Africa, South America and Central Asia. These regions have not been interconnected to global trade so far. The abovementioned project on development of logistic centres, which has been implementing in collaboration with Central Asian countries, could contribute to improving this

situation. Its aim is to enhance transport efficiency together with the general competitiveness of the region, and to reduce costs. The project objectives are two: to support international trade and to facilitate the movements of goods along the TRACECA corridor through improving logistics capabilities, and to increase the role of private sector in the development of transport infrastructure. The foreseen investment structure consists of public private partnerships. After explaining the main facts, Mr. Pearce gave a detailed presentation of five logistic centres which are going to be located in Aktau (Kazakhstan), Osh (Kyrgyz Republic), Nizhniy Pyanj (Tajikistan), Navoi (Uzbekistan), Turkmenbashi (Turkmenistan). Regional or national logistic operators, governments (Navoi) and, in the case of Turkmenbashi, Gulftainer Group are among the potential investors who would provide funding to the five centres. The speaker underlined some financing lessons learned that should be taken into consideration. If governments want to develop public private partnership in Central Asia, more work has to be done on the enabling environment and legal framework. Better dialogue between governments and investors should be developed. Likewise, coordination among ports and ship lines needs to be improved.

During the ensuing discussion, *a participant* asked about the possibility to develop a specific public private partnership project in the framework of the abovementioned project. Mr. Pearce replied that it depends on whether the legal and financial environment is well-regulated, as well as on a realistic demand of private sector. Definitely the involvement of the private sector brings some important benefits such as efficiency, lower costs and improves the project.

Ambassador Ihor Prokopchuk, Permanent Representative of Ukraine to the OSCE asked about the role of the OSCE in facilitating the project. Mr. Pearce answered that the Organisation is doing an excellent work in promoting rules and contributes to bringing down some barriers that exist in the implementation of projects across the region.

Mr. Bakyt Dyikanbaev, Senior Specialist, Ministry of Transport and Communications, Kyrgyzstan stressed that his country is well aware of the project and its funding. They find the establishment of a logistic centre in Osh as very useful and welcome the initiative. Mr. Pearce commended Kyrgyzstan for its endeavours to attract investors from private sector which could be involved in financing the logistic centre. He added that the situation for the time being is very encouraging.

The second speaker of the session, *Mr. Algirdas Šakalys, Adviser to the Prime Minister of the Republic of Lithuania*, provided with an overview of the East West Transport Corridor (EWTC) Association as an innovative instrument fostering development of intermodal transportation in the OSCE area. It was established in 2010 in Vilnius. At the constitutive conference the agreement was signed by the representatives of 26 business, academic and administrative bodies from Lithuania, China, Russia, Ukraine, Kazakhstan, Mongolia, Sweden, France, Denmark and Germany. The speaker stated that transport and logistics are affected by globalization and require international co-operation as well as multi-sectoral co-operation including the development of transnational chains. Mr. Šakalys provided information regarding transportation flows in the Baltic Sea region and outlined some ambitious plans aiming at transforming the region into an efficient global player. As both trade and transport are expected to grow, one of the most important tasks is to prepare and realize the so called “green corridor”, partly financed by the European Commission. The general mission of EWTC Association is to become a co-operation platform for putting in practice of the “green corridor” concept which entails the promotion of innovations, new technologies, business models, transportation management systems, market analysis of new logistics schemes, and the development of business plans.

Concluding, Mr. Šakalys informed that the next EWTC meeting is going to take place in Odessa, Ukraine, on 27 and 28 May. In order to further develop EWTC network he invited participants to attend the meeting.

Mr. Serhii Vlasko Head, State Border Service, Division of the Border Control and Registration, Ukraine welcomed the EWCTA initiative and expressed his hope that an agreement on the Shuttle Train Viking (Klaipeda – Minsk – Odessa) would be signed with some interested countries. Ukraine puts a lot of efforts in developing its transit potential, speeding the transport and facilitating customs clearance. **Mr. Šakalys** commended Ukraine for its active participation in the EWCTA and the organisation of the incoming Odessa Seminar.

Ambassador Leonidas Chrysantopoulos, Secretary General of Black Sea Economic Cooperation expressed openness of this Organisation to closely collaborate with the EWCTA.

Ms. Lydia Astanina, NGO representative from Kazakhstan, asked about the involvement of Kazakhstan in the Association. **Mr. Šakalys** pointed out that the majority of EWCTA members are from the business community and stressed the great interest for further developing co-operation with Kazakhstan, which can provide added value to EWCTA.

The next presenter, **Mr. Taleh Ziyadov**, Researcher at University of Cambridge (UK), explored the Eurasian transportation links and drew the attention to a study that will be published later in May. He began by referring to the historical Silk Road via Eurasia, stressing how well it was organized. He added that for a successful Euro-Asian land trade in the 21st century, the countries of the region need to build modern logistics centres and re-connect them with each other. Then, Mr. Ziyadov shared some findings from his ongoing study. He presented delivery time and cost estimates for shipments between Europe and Asia by different modes of transportation. In terms of speed, he specified that the air transportation is the fastest mode, albeit the most expensive one, followed by multimodal sea/air, the rail transportation and finally the maritime one. Shipment by ship is the most commonly used and cheapest mode of transportation, but it takes long time for goods to arrive (i.e. 32-35 days). Transportation by rail across various Eurasian corridors offer an alternative and environmentally-friendly option for Euro-Asian traders, but this mode of transportation needs to be developed further to become a reliable and sustainable choice. Currently, it takes about 15-19 days to ship a container from China to Germany via the Trans-Siberian railway (TSR) in Russia (the Northern Corridor) and the price is at least three times more expensive than shipping it by sea. Yet, Mr. Ziyadov stressed that although the TSR has not become an alternative for Euro-Asian shipments, among other Eurasian rail corridors, the Northern Corridor via TSR has improved the most. The reason is the involvement of a number of private operators who, jointly with the Russian Railways, have strived to increase the rail cargo transported. The speaker also analyzed two additional corridors that pass through OSCE participating States, namely the Transport Corridor Europe-Caucasus-Asia (TRACECA) and the Trans-Kazakhstan Route. He said that the Trans-Kazakhstan Corridor has not yet become a competitive alternative for shipments from China to Europe as the Kazakhstani rail operators and private freight forwarders face a number of shortages in rail stock and containers. Regarding TRACECA, Mr. Ziyadov said that this corridor is mainly used for transport of oil from Azerbaijan and Central Asia with almost 70 % of the international cargo moved along this route being oil and petroleum products. He stressed the importance of diversifying the cargo through TRACECA.

Comparing truck transit via alternative corridors from Western Europe to the South Caucasus, the study found the fastest alternative from Rotterdam (Netherlands) to Baku (Azerbaijan) to be a route that involves a ferry transfer from Germany to Latvia, and further drive via Russia. This is because there are daily scheduled ferry trips between the Port of Rostock in Germany and the Port of Riga in Latvia. Mr. Ziyadov said that unfortunately there are no pre-booking services available at the Black Sea ports in Bulgaria or Romania and the frequency of ferries travelling between those ports and the Port of Poti in Georgia is once a week, which makes TRACECA route unattractive for European trucking companies. Mr. Ziyadov also emphasized the potential of the North-South Corridor that involves India. Underlining the fact that India is one of the major trading partners of the European Union, Mr. Ziyadov said that in the future some of EU-India trade could be moved by rail via the North-South (NS) Corridor. He said that there are two rail connections in the NS direction: the

Eastern Branch of NS corridor via Russia, Azerbaijan, and Iran; and the Western Branch of NS Corridor via Russia, Kazakhstan, Turkmenistan and Iran. The railway on the western side of the Caspian Sea is currently being constructed and will be ready by 2012. On the eastern side, the missing rail segment between Azerbaijan and Iran is under construction as well. Once all these projects are realized, the connection between Europe and South Asia will be established and improved.

The speaker concluded by outlining some of the future plans for facilitating transportation in the Eurasian region. Among them he mentioned the construction of the New Baku International Sea Port at Alyat (Azerbaijan), the expansion of the Aktau (Kazakhstan) and Turkmenbashi (Turkmenistan) ports and China's plans to extend its rail networks to Central Asia.

The final speaker, *Mr. Azer Tagiyev, Regional Expert with Egis International, Turkmenistan*, presented a project funded partly by the EU and titled *Motorways of the Black and the Caspian seas*. The project started in January 2009 with the key objective of promoting the motorways of the Seas' concept, thereby supporting the efficient intermodal freight transport connecting the Black and Caspian Seas' neighbouring countries with the enlarged EU territory. Among the project direct beneficiary countries are Azerbaijan, Georgia, Kazakhstan, Turkmenistan and Ukraine but also Bulgaria, Romania and Turkey. Mr. Tagiyev outlined five pilot projects which have been selected:

- The existing Black Sea project between Bulgaria (port of Varna), Ukraine and Georgia;
- The inter-seas project: Poti- Baku block train;
- The existing Trans-Caspian projects: regular ferry links;
- The project facilitating the shift of trucks between Turkey and Caucasus (beyond to Central Asia) from road to new Ro-Ro links using Black and Caspian Seas;
- The new Black Sea Ro-Ro / rail ferry project between sea ports of Ukraine, Turkey (port of Samsun) and Georgia.

Improvements are needed to ensure stricter conformity between national legislations and international treaties ratified by TRACECA countries. This would guarantee that regulations are accessible and can be read and understood in the same manner by users and State agencies and improve/implement modern and efficient I.T. communication between operators and users at national and bilateral levels. An issue that should be addressed is that in several cases co-operation and partnership remain just theoretical between institutions and between public operators. They are not sufficiently implemented due to unclear provisions or lack of support at high State level. As pointed out in the presentation, competitiveness and attractiveness are fundamental requirements for the successful implementation of the pilot projects. The goal can be achieved by a higher degree of commitments from the stakeholders to follow a common target and by a deeper and well-advertised involvement of high level authorities making the image of projects more visible and credible. Mr. Tagiyev concluded by elaborating on the role of the OSCE. He believes the Organization could serve as a promoter of projects on highly political level.

Ambassador Leonidas Chrysanthopoulos stressed that the aforementioned project seems to be a duplication of work as the Black Sea Economic Cooperation is implementing already similar projects, including the "Black Sea Ring Highway" and other maritime ones. In his opinion such duplication would be a waste of money and time. Therefore BSEC will again try to clarify the issue with the representatives of TRACECA and of the EU. *Mr. Tagiyev* expressed his understanding, but added that the project could be also beneficial for the countries in the larger Black Sea region and in particular for the Caspian sea countries.

The session presented some suggestions as to where the OSCE can play a greater role:

- To encourage participating States in the region to develop a common vision, promote interregional co-operation and harmonize mechanisms.
- To further promote integration of transport networks in Central Asia, South Caucasus, Russia, Eastern Europe and EU countries including the Baltic and Nordic States.
- To increase efficiency, security and environmental sustainability of Euro-Asian Transport Links which include East – West Corridors, Western China – Europe transport routes and railway connections.
- To encourage multi-modal transport between Caspian, Black and Baltic Seas' regions, combining land and sea-based transport means.
- To encourage public-private partnership in order to facilitate transportation.

CONCLUDING PANEL DEBATE - THE ROLE OF THE OSCE IN PROMOTING SUSTAINABLE TRANSPORT SOLUTIONS

Moderator: Mr. Vytautas Naudužas, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship

Rapporteur: Ms. Edelmira Campos Núñez, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

The moderator of the Concluding panel Debate, *Ambassador Vytautas Naudužas*, opened the floor by recalling some of the ideas and proposals formulated during the two-day meeting. Among them, he mentioned the OSCE-UNECE joint efforts in elaborating a handbook on best practices at border crossing; the necessity to be aware of the close relation between transport and energy; the need to link technology to a better use of resources; the value of transboundary co-operation; and the necessity to better connect Central Asian landlocked countries to maritime ports.

Then, the moderator opened the floor for general discussion. *Mr. Anthony Pearce, Senior Advisor, Project for Development of Logistic Centers/Nodes in Central Asia* was the first participant to take the floor. He suggested that special attention should be paid to the fuel sources to be used in the future. In this regard, he proposed hydrogen as a suitable fuel. Mr. Pearce also proposed a better use of technology to improve the security at border crossing.

One delegation took the floor to express appreciation for organizing such a specialized meeting covering the interests of all participating States. The speaker pointed out that the OSCE, being a political organization, should adopt a political perspective on the topics under discussion, while other specialized organizations should address the technical issues related to transport. In this context he recalled that some routes included in TRACECA are currently closed or not operational and underscored that this situation prevents economic co-operation and development. The representative finalized his intervention by declaring that the existing OSCE documents should be used to identify areas that need to be brought into conformity with OSCE commitments on safety, security and good neighbourhood. *Another delegation* responded to the previous statement indicating the linkage between the opening of transport routes and the political settlement of existing protracted conflicts or disputes.

Ambassador Leonidas Chrysanthopoulos, Secretary General, Organization of the Black Sea Economic Cooperation (BSEC) took the floor to encourage the OSCE to organise more often events like this one as he considers them useful for participants and for the organization itself. He also reiterated the important role played by the OSCE in assisting participating States involved in frozen conflicts. In his opinion, this activity also contributes to promoting the opening of roads and eliminating barriers, hence facilitating the economic development of these regions.

Ambassador Cynthia Efirid, Senior State Advisor, US Commission on Security and Co-operation in Europe, Department of State declared that one of OSCE's added values was its capacity to gather the public and private sector, together with NGOs. Then, the delegate stressed that transport sustainability and security also require the involvement of best practices related to good governance and fight against corruption. In this regard, she welcomed the memorandum of understanding signed by the OSCE and the International Anticorruption Academy. The delegate expressed satisfaction for OSCE efforts in helping participating States to prevent corruption by implementing international commitments such as the United Nations Convention against Corruption. The OSCE should do more to leverage the work of other organizations that are succeeding in critical areas embodied in the OSCE commitments. The delegate used as an example the World Customs Organisation (WCO). She informed that the WCO has developed a compendium of integrity and best practices to share experiences and to develop integrity. Taking into account that 53 OSCE participating States are also members of WCO and that the OSCE is a platform for the sharing of best practices, the delegate proposed to involve the WCO in OSCE's work in fostering integrity in customs, particularly at the field level. The delegate also brought the attention of participants to the Bangkok Declaration of the V Regional Environmentally Sustainable Transport Forum, which describes strategies for improving transport practices and technologies. She proposed to explore this document in order to look for issues such as more sustainable transport, fuel and technologies; an enhanced social equity; a better distribution of information; and the development of specialized institutions able to address sustainable transport and good governance.

Mr. Hendrik Van De Velde, Deputy Head of Mission, Permanent Representation of Belgium to the OSCE suggested to include in the agenda of the Concluding Meeting a topic related to best practices aiming to accompany the technological progress with a proper adaptation of consumption and transportation habits.

Mr. Jun Ishimaru, First Secretary, Embassy of Japan to Austria stated that the recent events in his country have demonstrated that it is fundamental to secure a sustainable transport, as well as the necessary energy for it. He also recalled the proposal made by his delegation during the last year's Prague Forum. Japan suggested the possibility to launch a project on optical fibre cables to improve transport security and facilitation and to reduce the cost at the borders. The delegate stressed that this project could be especially interesting for the Central Asian region.

Mr. Petru Mititiuc, Deputy Director, Ministry of Transport and Road Infrastructure, Land Transport Department, Moldova expressed his appreciation for the OSCE's efforts in improving the transport sector in his country. He also welcomed the support from the OSCE for the opening of an Aarhus Centre in Moldova and for involving both the government and the civil society. He expected the OSCE to continue to pay special attention to the environmental aspects of the transport sector.

Mr. Vilius Bartolis, Dean of Transport Engineering Faculty, Vilnius Gediminas Technical University, Lithuania, described the positive aspects of gas as a fuel for vehicles. However, he also indicated that in order to better use this fuel better infrastructures are needed.

Ms. Anisa Xhitoni, Program Officer, Eden Center, Albania, regretted that in her country most of the efforts dedicated to the development of transport infrastructure have been directed to the construction of highways rather than to the railways sector. Moreover, she indicated that in her opinion the transport sector in Albania has been growing without proper involvement of the civil society. Concerning the Aarhus Centres, Mr. Xhitoni thanked the OSCE for its support in implementing the Aarhus Convention and asked the OSCE to continue supporting NGOs as well as the Government of Albania in this regard.

Mr. Manuel Lage, General Manager, Natural Gas Vehicle Association Europe (NGVA Europe), referred to Mr. Bartolis' comment and informed that the EU is working on an infrastructure

programme called LNG Blue Corridors aimed at facilitating refills along long distances throughout Europe. He proposed to Lithuania to join the programme.

The last participant to take the floor was *Mr. Hans Henrik Sievertsen, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE)*, who emphasized the relevance of the discussion on international transport facilitation as crucial for sustainable transport. In this regard he welcomed the continuing co-operation between the OSCE and the UNECE.

The overall conclusions of the Session were the following:

- **A better use of technology can improve the security at border crossings;**
- **There is a need to analyze which are the most suitable energy fuels to be used in the future;**
- **Good governance and anti-**
- **corruption aspects should be included in policies promoting sustainable transport;**
- **OSCE should do more to leverage the work of and co-operate closer with other organizations (such as the WCO) that are addressing critical areas embodied in the OSCE commitments;**
- **The Bangkok Declaration of the V Regional Environmentally Sustainable Transport Forum might be explored by the OSCE;**
- **Best practices aiming to accompany the technological progress with a proper adaptation of consumption and transportation habits should be analyzed;**
- **The OSCE should keep supporting NGOs as well as governments in promoting the Aarhus Convention;**
- **Special attention should be paid to international transport facilitation in the framework of sustainable transport.**

Closing Statement

by Mr. Goran Svilanovic

Co-ordinator of OSCE Economic and Environmental Activities

Ladies and Gentlemen,

We have addressed a wide range of issues over the last two days, from sustainable transport solutions and environmental friendly transportation choices to the facilitation of international land transport, and the integration of transport networks in the OSCE area. In my view our deliberations have been extremely fruitful. This is due to the excellent presentations and contributions of our speakers and panellists as well as to the able leadership provided by the moderators who have guided the deliberations in each session towards relevant outcomes for our organization. I thank you for that.

It is indeed a challenge to try to summarize our reach debates. I very much count on the rapporteurs reports which will be integrated into a consolidated summary of this meeting and I wish to thank them as well for taking on this important task.

Let me recall some very telling figures. It is estimated that the transport sector accounts for 25% of the world energy consumption, and that 96% of this energy consumption is of fossil fuel origin. Moreover, this sector accounts for 90% of the projected increase of all oil derived energy. Without strong policy interventions, oil use and related CO₂ emissions worldwide could double by 2050. Furthermore, growing populations, GDP increase and motorization of societies make our current mobility model unsustainable. These facts underline the importance of the role of policies in promoting environmentally friendly transportation choices as well as the need and the urgency of taking action.

This meeting provided a useful platform for sharing information and experiences. I believe this is precisely where the role of the OSCE in exchanging good practices comes to hand. For example, the EU has presented a very recent White Paper on developing a Roadmap to a Single European Transport Area. This presentation was very much appreciated in particular by the OSCE participating States that are not EU members. All the participants of the conference have been invited to provide feedback. I encourage you to do so, as a tangible result of this event.

We have learned a lot about various available and promising technological options. We have been repetitively reminded that while technological innovation brings benefits, in particular in a medium-term and a long-term perspective, we should not forget addressing the non-technical aspects, the so called governance issues - planning, thinking ahead, and trying to anticipate future challenges. These are key elements we should address in order to be effective in promoting sustainable transportation choices. And this can and should be done without delay.

To improve transport efficiency we need to address the system as a whole and work in various areas: optimization of design, construction of transportation networks; increase vehicle economy and introduce low carbon fuels; improve traffic management; as well as promote alternative energy solutions and raise awareness of the environmental and economic benefits of new technologies, fuels etc.

Another aspect of environmentally friendly transportation choices is the role that civil society plays in strengthening co-operation between various levels of government, research institutions, non-governmental organizations, and other partners to develop a unified criteria to achieve an

environmentally-friendly and healthy transport. It is only through a dynamic multi stakeholder dialogue that the most effective solutions can be identified and the right tools can be provided to the policy makers so that they can make the right decisions.

The NGOs play a crucial role in articulating the needs of the people and in working on the causes of the problems, not only the consequences. We have heard how important it is to motivate people, raise awareness of decision makers and enforce policies considering societal needs. We have also seen how decision makers should “walk the talk” and promote in their daily lives environmentally friendly transportation choices like using bicycles’ and public transportation.

NGOs activities in the area of sustainable and environmentally friendly transportation choices are and should be supported by the OSCE field presences, and that is another outcome that this conference will provide. I have been discussing with our Economic and Environmental Officers potential activities and will continue these discussions to propose a range of concrete follow up activities to the Forum process.

Another area where the OSCE could play a useful role is supporting and promoting the signing, ratification and implementation of relevant environmental conventions that are also important from the perspective of sustainable transport. We have been for example reminded about the usefulness of the Protocol for Strategic Environmental Assessment to the Espoo Convention. In some OSCE participating States there might be a need for strengthening capacity in environmental impact assessment through upgrade of legal and regulatory framework and capacity.

Let me turn now to the cross-border facilitation issues and the importance of integrating transportation networks across the OSCE region. These are areas where the OSCE has accumulated already useful experience and developed strong partnerships with other organizations such as the UNECE.

Speakers and participants have emphasized the need for coordination and simplification of border crossing and customs clearance procedures. We have heard about positive developments in this regard, such as the Customs Union between Russia, Belarus and Kazakhstan, which is expected to create significant effects on trade and transport operations among those three countries. From the private sector representatives we learnt that trade is rapidly developing and changing and in turn requires quick policy responses from the side of the Governments. As the US Chamber representative put it, businesses are not diplomats and they will only invest when there is a real business potential. In the wake of the crisis, companies worldwide are starting to invest again, re-hire and expand. This represents ample opportunities for the OSCE region including countries in Central Asia and the South Caucasus. In order for this development to sustain and to positively affect the entire region additional initiatives and policies are needed to bring about a better balance between security and trade facilitation.

We shall continue to work in that regard and as I announced in the opening session, the joint OSCE-UNECE Handbook of best practices at border crossings will be soon finalized. I do believe it could become a useful tool for capacity building.

The introduction of new technologies and IT solutions such as the UNCTAD's Integrated Customs System or initiatives to create a paperless environment for Customs and trade, are also relevant for transport facilitation. Indeed, in addition to streamlining administrative processes and improving inter-agency cooperation at the human, inter-personal level also the introduction of new technologies can help a great deal.

In the last session we discussed the need to increasingly integrate transport networks in the OSCE region and several initiatives were presented, such as the Project for Development of Logistic Centers/Nodes in Central Asia, or the Motorways of the Black and the Caspian seas project. These

are very relevant regional initiatives as they address the specific needs of landlocked developing countries. Also, a relevant concept was introduced – the “green corridors” promoting not only transport but also innovations, new and more energy efficient technologies and business models.

Competitiveness and attractiveness are fundamental basic requirements for the successful implementation of the pilot projects. The goal can be achieved by a higher degree of commitment from the stakeholders to achieve a common target and by deeper and well-advertised involvement of high level authorities making the image of projects more visible and credible.

In the end, let me also say that while we have focused more on land transport we have also heard interesting ideas related to the maritime transport, starting with the panel debate yesterday morning. Maritime related issues might deserve further attention, as they have been the focus of the 2008 Forum under the Chairmanship of Finland and a Ministerial Decision was adopted also at the end of that year.

Ladies and Gentlemen,

We have concluded the preparatory phase of this year’s Forum process. The conclusions and recommendations of the meeting in Vienna in February, dealing with sustainable energy, as well as those having emerged from this meeting on sustainable transport, will be guiding us in preparing the Concluding Meeting of the 19th OSCE Economic and Environmental Forum, scheduled from 14 to 16 September in Prague. As in past years, my Office will prepare, ahead of the Prague meeting, a food for thought paper assessing the outcomes of the preparatory process and proposing some ideas for follow-up. And I am sure this year’s Forum process will generate substantial and relevant follow-up.

Let me wish you a nice trip back home.

I am looking forwards to meeting you again soon.

Closing Statement

by Mr. Vytautas Naudužas

**Ambassador for energy and transport policy issues,
Ministry of Foreign Affairs of the Republic of Lithuania,
2011 OSCE Chairmanship**

Distinguished Participants,
Ladies and Gentlemen,

I would like to start my closing remarks by expressing, on behalf of the Lithuanian Chairmanship, my thanks to all those who contributed to the success of this meeting, Mr. Goran Svilanovic the Co-ordinator of OSCE Economic and Environmental Activities and his Office, the Moderators, Panelists and Speakers of our sessions, the Rapporteurs, all those who actively participated in the debates, representatives of Governments, International Organizations, NGOs, etc.

Transport related issues have been in the focus of past Economic and Environmental Forum meetings. In the spirit of continuity, the Lithuanian Chairmanship wants to further contribute to defining the OSCE role in this important field, to strengthening co-operation with partner organizations, to streamlining the OSCE approach and activities in a number of transport related areas and to bring into discussion additional elements, in particular the linkage between transport and environment.

I do believe that our meeting in Druskininkai has been instrumental in this regard. Let me turn to some agenda items we have been discussing over the last two days.

Many speakers have emphasized the link between transport, environment, safety and security. We have also heard about various initiatives aiming to maximize the economic efficiency of transport while minimizing its impact on the environment. In this regard I would like to highlight the recently issued European Commission White Paper - *Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system*, which includes concrete initiatives for the next decade to build a competitive transport system that will increase mobility, remove major barriers in key areas and fuel growth and employment

Indeed, in order to meet the challenges on efficient and sustainable transportation in the 21st century we need a strategic perspective, long term planning, a comprehensive approach and multi-stakeholder co-operation. Our action should be consistent and persistent, at local, national, regional and international level.

During our meeting we also exchanged views on co-ordination and simplification of border crossing and customs clearance procedures. The Lithuanian Chairmanship is pleased to learn that the joint OSCE/UNECE initiative for the development of a Handbook of best practices at border crossings, stemming from the recommendations of past Economic and Environmental Forums, is making good progress and that the publication will be launched soon. We are looking forward to that, as well as to further capacity building activities in the area of transport facilitation.

Improving logistics, co-ordination and integration of transport networks covering various transport modes, was yet another important topic discussed. This is very much in line with one of the key priorities of the Lithuanian Chairmanship in the Economic and Environmental Dimension, namely strengthening regional and sub-regional co-operation. Lithuania also considers that increased attention should be dedicated to the development of 'Green Corridors' allowing for long-distance

freight transport routes using advanced technology and co-modality in order to achieve higher levels of energy efficiency and reduce environmental consequences.

Ladies and Gentlemen,

I appreciated the spirit of genuine dialogue that characterized our debates over the last two days, the openness in sharing information and exchanges best practices.

Let me once more express the commitment of the Lithuanian Chairmanship for ensuring a substantial follow-up to this Economic and Environmental Forum. To that end we should all engage in a process of analyzing and assessing the conclusions and recommendations of this meeting, as well as of the previous one, in Vienna, in February. We should identify priorities and the way forward. In this regard the Chairmanship counts very much on the strong support from the Office of the Co-ordinator of OSCE Economic and Environmental Activities. We also count on the active contribution from Delegations, in the framework of the Economic and Environmental Committee in Vienna. We would also welcome input from other stakeholders. I am confident that such a co-operative and inclusive approach will generate in the end positive results.

In the end, let me thank all of you for coming to Lithuania. I am looking forward to meeting you again, at the Concluding Meeting of the 19th OSCE Economic and Environmental Forum, on 14-16 September, In Prague.

I thank you for your attention.